Purchasing Week

McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

Vol. 2 No. 9 New York, N. Y., March 2, 1959 $6 A YEAR U. S. AND CANADA $25 A YEAR FOREIGN

Cheaper Cans? Who Gets Them? Canners Wonder

Chicago—Major can buyers attending a National Canners Association meeting here last week observed there has been more talk than shooting in the can-makers "price war."

Everybody seemed to be talking about American Can Co.'s new point-of-production pricing policy (P. W. Feb. 16, p. 1). But few can users and finished can-goods buyers admitted receiving measurable benefits in prices quoted to them as a result of the ensuing competition among can makers.

All were grateful, however, that efforts to move prices down at least had been set in motion.

The head purchasing agent for one of the country's biggest meat packers said he had noted "no tremendous reductions." Then he added:

"This is one time when the P. A. can sit back and let the suppliers slug it out themselves on prices. It isn't often this happens and believe me, we enjoy it when it does."

A canned goods buyer for a nationwide grocery chain was disappointed because none of the price reductions he had heard

(Continued on page 21)

Tin Council Members May Raise Exports 3,000 Tons in 2nd Q.

London—Producing members of the International Tin Council will be allowed to increase exports by 3,000 tons during the three-month period starting April 1. Higher prices on the metal market prompted the quota relaxation.

Completing a week-long session in London, the council boosted the total permissible export total for the six producers from 20,000 to 23,000 tons. The council's buffer stock manager also was authorized to continue operating within the middle price range of $2,184 to $2,324 a ton.

Council is keeping close eye on U.S. labor negotiations. Trouble in the steel industry next July could deflate prices.

Have You a Manual?

Just about every purchasing department has a manual or expects to produce one some day. Especially for this latter group, PURCHASING WEEK will begin in the March 9 issue a three-part series on all aspects of all types of manuals. The author will be F. Albert Hayes, an authority in this field and a consulting editor to P.W.

STRONG SUPPORT FOR THE 35-HOUR WEEK comes from David Dubinsky, left, president of the International Ladies Garment Workers Union, in interview with Alan Adams, center, McGraw-Hill Washington Bureau; and PURCHASING WEEK's own Fred Steinberg held in Puerto Rico.

Shorter Work Week Drive Follows Rising Productivity of Workers

Washington—The A.F.L.-C.I.O.'s big new push for a 35-hr work week dramatizes a host of issues churned up in the wake of the sensational rise in productivity since the end of the recent recession.

The full impact of rapidly climbing productivity rates still is not generally realized. Although it is a strictly economic phenomenon, productivity will have broadside political implications for government price investigations, federal legislation and even for the 1960 presidential elections.

It is now ten months since business began to work its way out of the recession, and by now dollar volume has surpassed pre-recession levels. Given a big stimulus by the rise in productivity, business profits have been climbing ever since.

At the same time, however,

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35-Hr. Goal Set By Labor Council

San Juan—Organized labor has posted the shorter work week as its next big serious objective.

As the new bargaining and legislative target, the 35-hr. week will become the next special union demand to follow the guaranteed annual wage, pensions, and health and welfare benefits. It cuts across all the A.F.L.-C.I.O.'s major craft and industrial unions who will work together to try and attain it by federal legislation and at the bargaining table.

A.F.L.-C.I.O. President George Meany summed up the

(Continued on page 21)

Nonferrous Metals Output, Prices to Go Up Slightly in 1959

New York—Buyers will be stepping up their purchases of most nonferrous metals through the remainder of 1959. They'll also be paying a bit more for most metals—though price hikes will tend to be somewhat more sluggish than output in rising from 1958 low points.

That's the picture reported in McGraw-Hill's metal roundup appearing in *Engineering and Mining Journal's* 90th annual survey on the metal field.

Metal production rise will probably be fastest in the next few months. Then it will tend to level off as stocks accumulate and business activity only inches up slowly. These assumptions indicate an average 1959 nonfer-

(Continued on page 3)

State Legislatures Wrestling With Problem of Streamlining Public Procurement Policies

California Leading Move to Allow Public Agencies To Buy at State Prices; Centralization Often Goal

New York—Numerous state legislatures are wrestling with the problem of improving governmental procurement.

More than a score of bills aimed at streamlining purchasing operations are pending in various state capitols. One of the most encompassing is a measure which would authorize the California Department of Finance to purchase material, equipment, and supplies for any local governmental agency where the total purchase exceeds $500.

A PURCHASING WEEK survey shows that pending legislative proposals can be expected to produce sweeping changes at all levels of governmental purchasing in many states. Measures to permit local agencies to purchase under state contracts (such as the California bill) and those aimed at greater centralization of purchasing operations appeared to be in the majority.

Georgia and Washington, where public buying "scandals" produced sweeping shakeups in the state buying organizations during the past year, also have corrective legislation on tap.

Sponsors of California's central buying bill argue that counties, cities, school districts, and other public agencies would be enabled to purchase directly from a supplier at the same prices as the state. Potential savings are estimated at 2 to 20% on such items as gasoline, rubber products, furniture, paper, etc.

California's "Buy American" and Fair Trade laws also are under attack at the current California legislative session. Opponents of the restrictive measure argue that elimination could result in purchasing economies.

Here is a sampling of other purchasing-pegged activity in state houses across the nation:

Alabama: Gov. John Patterson has ordered the State Purchasing Department to keep a tight rein on spending and avoid all unnecessary purchases. Consensus is that Alabama's present

(Continued on page 22)

Raw Materials Imports Taxable

Washington—Industrial buyers of foreign raw materials now must consider the possibility that state and local governments can levy new taxes on their imports.

The U. S. Supreme Court ruled last week that property taxes may be imposed on raw materials imported and stored for immediate use at a manufacturer's plant.

In another decision which gave state and local governments an opportunity to collect more business taxes, the court validated a state income levy on a corporation which maintains only a

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This Week's

Purchasing Perspective MARCH 2-8

Steel buying continues spectacular. Mills figure virtually every steel-buying P.A. around has placed advance orders. Concern over possible mid-year strike still runs strong. All of which explains why Chicago area mills have placed all orders on substantially an allocation basis: "We have all the business we can take from everybody."

Detroit automakers, for instance, are understood to have ordered most of the steel needed to complete predicted 1959 model production. Steel warehouses around Chicago report strong demand, but it continues slow for warehousemen in Cleveland and farther East. Steel service centers are building up inventories more slowly than consumers; their demand is nothing like ordering at the mill level.

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Many small shippers are running for cover. They figure protection of shipping associations and cooperatives are their best bet against threatened rate boost threats to L.C.L. shipments.

Firms who ship and receive in smaller quantities complain the rail-truck competition for big volume shipments is backfiring against them. They accuse carriers of throwing the burden of added costs in their laps. That's one explanation of why trend toward shippers groups (which started rolling just about

(Continued on page 21)

Coal Conference Set To Fight Imports Of Residual Fuel Oil

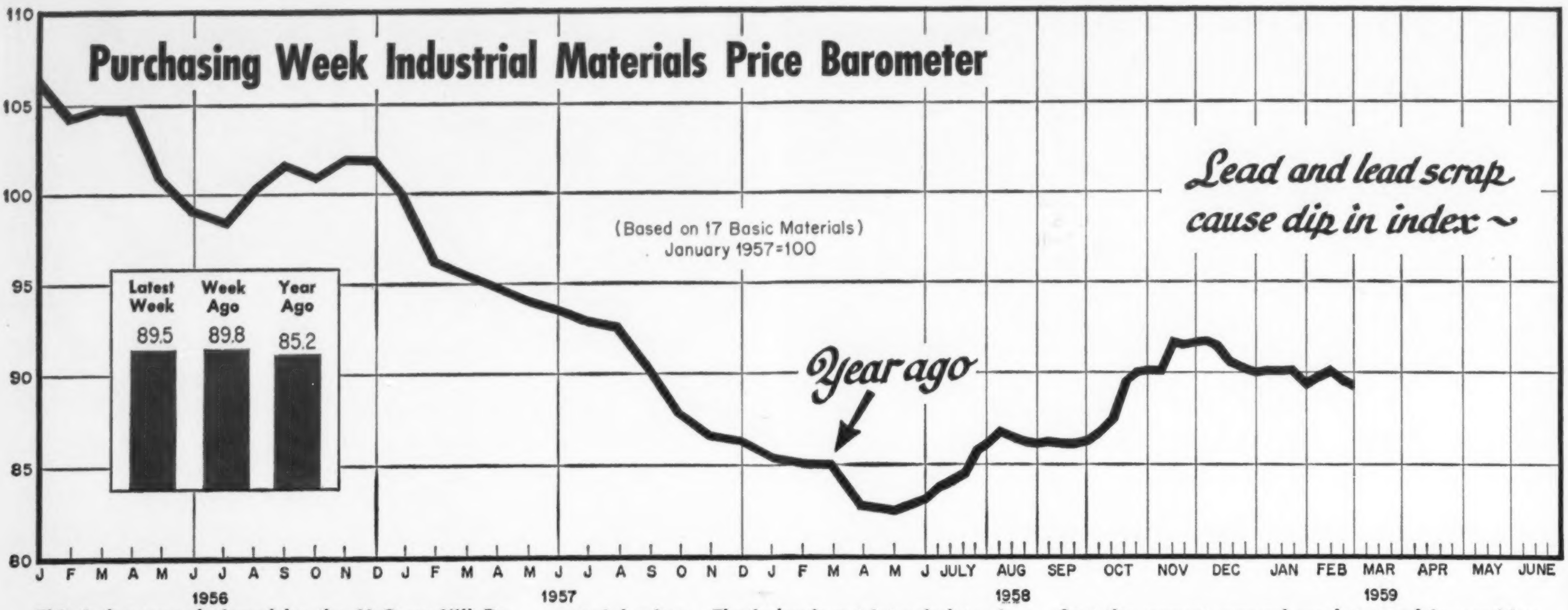
Washington — Domestic coal interests, led by the United Mine Workers Union, have formed a broad, industry-wide group to spearhead their fight against competing residual fuel oil imports.

Christened the National Coal Policy Conference at its unveiling in Washington last week, the new organization is made up of mine operators, U.M.W. representatives, railroad and electric utility executives, and manufacturers of coal mining equipment.

Chairman George H. Love, board chairman of Consolidation Coal Co., credited U.M.W. president John L. Lewis with originating the idea for an industry group to fight for a wide range of objectives.

The conference's goals are to

(Continued on page 4)



This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they reflect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's

Price Perspective

MARCH 2-8

Inflation is an ugly word.

G.O.P.ers, Democrats and even economists and business consultants often fling the term around with reckless abandon. Each summarily dismisses the evil by placing the blame on some pet peeve.

The trouble is that these blanket condemnations, no matter who they are aimed at, hardly ever lead to any constructive action.

Only when you ask the pertinent questions like—**Where has inflation hit? What has it meant? What's the outlook?**—do you have a firm foundation for understanding the problems involved.

By asking the right questions you can get clues to the forces behind rising prices, and hints to appropriate anti-inflationary action.

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With this mind, PURCHASING WEEK economists have taken a long hard look at price behavior over the last decade.

The results are summarized in the chart story on pages 12 and 13.

The complexities of the problem are pointed up by the wide variations in price behavior. No two prices move exactly alike. That goes whether you look at prices by industry, by stage of processing, or by durability.

Every P.A. has a different problem. Different inflationary forces with varying intensities, for example, have made the price of a machine soar much higher than, say, the price of a typical soft good.

Another significant finding: Close to 50% of the gain in general business activity over the past decade can be attributed to inflation. In other words, only half the gain was real. The other half was illusory, representing nothing more than higher prices.

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Even more revealing is the last section of the chart story which evaluates the near-term price outlook.

The movements of two price barometers—sensitive industrial prices, and unit labor costs—are presented for the 1949-1958 period.

The charts prove interesting for two separate reasons:

• **For what they have shown.** Both these indicators have proven their ability to predict. Thus when sensitive raw material prices or unit labor costs rose—it was soon followed by a rise in general industrial prices. It happened right after Korea and again in 1955-56.

• **For what they now indicate.** Both show lessening pressure, signalling a temporary breather from inflationary forces. It confirms the PURCHASING WEEK prediction that the average price rise this year will be small—somewhere in the order of 1 to 2%.

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The current easing of unit labor costs deserves further comment.

That's because wage costs have been noted by many as one of the prime causes behind the recent wave of inflation.

A closer look at unit labor costs indicates that the current leveling off is almost entirely due to productivity rises.

Productivity or output per manhour has spurted. Rises have been sufficient to offset higher hourly wage rates—enough to keep labor costs per unit of output almost constant over the past year.

Can this balance be maintained? That's one of the big questions today. Labor says it can, even with new wage hikes. Management says no.

Who is right—and how productivity and wage negotiations fare in the coming months—could have a significant effect on the prices you will be paying over the next few years.

This Week's Commodity Prices

	Feb. 25	Feb. 18	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	77.50	+ 3.2
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.275	+ 4.3
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	5.975	+ 3.8
Steel, bars, del., Phila., cwt	5.975	5.975	5.725	+ 4.4
Steel, bars, Pitts., cwt	5.675	5.675	5.425	+ 4.6
Steel, plates, Chicago, cwt	5.30	5.30	5.10	+ 3.9
Steel scrap, #1 heavy, del. Pitts., gross ton	43.00	43.00	34.50	+24.6
Steel scrap, #1 heavy, del. Cleve., gross ton	43.00	43.00	33.50	+28.4
Steel scrap, #1 heavy, del. Chicago, gross ton	44.00	44.00	38.50	+14.3
Aluminum, pig, lb	.247	.247	.26	— 5.0
Secondary aluminum, #380 lb	.218	.218	.21	+ 3.8
Copper, electrolytic, wire bars, refinery, lb	.297	.296	.244	+21.7
Copper scrap, #2, smelters price, lb	.258	.25	.175	+47.4
Lead, common, N.Y., lb	.11	.115	.13	—15.4
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.70	+ 5.7
Tin, Straits, N.Y. lb	1.048	1.028	.945	+10.9
Zinc, Prime West, East St. Louis, lb	.115	.115	.10	+15.0
FUELS				
Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.25	—11.1
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.65	—10.6
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.70	—20.4
LP-Gas, Propane, Okla. tank cars, gal	.055	.055	.05	+10.0
Gasoline, 91 oct. reg, Chicago, tank car, gal	.115	.115	.12	— 4.2
Gasoline, 84 oct. reg, Los Angeles, rack, gal	.113	.113	.114	— .9
Coal, bituminous, slack, ton	5.75	5.75	6.05	— 5.0
Coke, Connellsville, furnace, ton	15.25	15.25	15.25	0
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	90.50	90.50	90.50	0
Benzene, petroleum, tanks, Houston, gal	.31	.31	.36	—13.9
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Coconut, oil, inedible, crude, tanks, N.Y. lb	.21	.21	.146	+43.8
Glycerine, synthetic, tanks, lb	.278	.278	.278	0
Linseed oil, raw, in drums, carlots, lb	.163	.163	.184	—11.4
Phthalic anhydride, tanks, lb	.165	.165	.205	—19.5
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.325	+ 7.7
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.85	9.85	9.60	+ 2.6
Shellac, T.N., N.Y. lb	.30	.30	.33	— 9.1
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.073	.073	.085	—14.1
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	17.00	0
Bond paper, #1 sulfite, water marked 20 lb, carton lots, CWT	24.20	24.20	24.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Wrapping paper, std, Kraft, basis wt. 50 lb rolls	9.00	9.00	9.50	— 5.3
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.40	0
Old corrugated boxes, dealers, Chicago, ton	23.00	23.00	17.00	—35.3
BUILDING MATERIALS				
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.29	4.29	4.42	— 3.0
Glass, window, single B, 40" bracket, box, fob N.Y.	7.90	7.90	7.09	+39.6
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y.	124.00	121.00	113.00	+ 9.7
Douglas fir lumber, 2x4, s4s, carlots, fob Chicago	135.00	134.00	112.00	+20.5
TEXTILES				
Burlap, 10 oz, 40", 100 yd	10.35	10.55	10.15	+ 2.0
Cotton, middling, 1", N.Y., lb	.358	.357	.36	— .6
Printcloth, 39", 80x80, N.Y., spot, yd	.185	.185	.174	+ 6.3
Rayon, satin acetate, N.Y., yd	.265	.26	.275	— 3.6
Wool tops, N.Y. lb	1.39	1.395	1.51	— 8.0
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.	.21	.205	.158	+32.9
Rubber, #1 std ribbed smoked sheets, N. Y., lb	.301	.301	.265	+13.6

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Nonferrous Metals, Prices to Go Up in 1959; But Changes Will Be Slight; Some Metals Soft

(*Continued from page* 1)
rous metal production figure of some 5% above the 1958 level to approximately 127 (1947-49 equals 100).

Pricewise, the Engineering and Mining Journal Index of nonferrous metal prices will continue to respond quickly to production changes. (See chart at right for the close correlation between these two series.)

Firming output should keep average tags rising slowly throughout the year. The E. & M. J. Index is likely to rise 90% above the 1947-49 average by the end of the year—close to 4% above the current level.

Here's a capsule summary of the outlook for various metals:

• **Aluminum:** U. S. consumption is expected to better the 1958 total by over 10% this year. Increased per capita use by appliance, construction, and automobile industries is expected to lead the demand upswing.

Expansion in existing facilities plus the addition of two new domestic producers has the industry currently operating well below capacity. But bright near-term future plus rising costs could mean a price boost after end of the current price freeze in July.

• **Copper:** Higher prices and greater activity are both in store for buyers of the red metal this year. U. S. business recovery will provide the spark to both firmer prices and producer profits.

U. S. producer price in January was about 15% above the year-ago, 1958 level. Custom smelter and merchant prices were even higher.

One important price factor will be the labor-management contract negotiation this summer. Although wide discrepancies exist between the positions of the unions and the companies involved, the heavy losses which result from a strike may help prevent a work stoppage.

In any case, many producers and fabricators may endeavor to go into the summer with sizable stocks. If strikes should occur, pressure on prices will be great. But producers may hesitate a good deal before letting tags rise above 36¢ a lb.

• **Zinc:** The zinc market reversed a 3-year cycle in 1958 and ended the year with a lower supply surplus than at the end of 1957.

Total zinc consumption declined 12% below 1957 last year, but the second-half of the year showed a decided use pickup. This demand rise is expected to continue through 1959 with consumption this year anticipated at better than 10% above 1958.

The announcement of government control of imports at the end of 1958 gave some strength to the domestic zinc price—though last weeks ½¢-a-lb. cut indicates a still considerable amount of weakness.

• **Lead:** The market decline that lasted throughout a good part of 1958, heavy world stocks, and cessation of U. S. government stockpiling all contributed to the lead price decline last year.

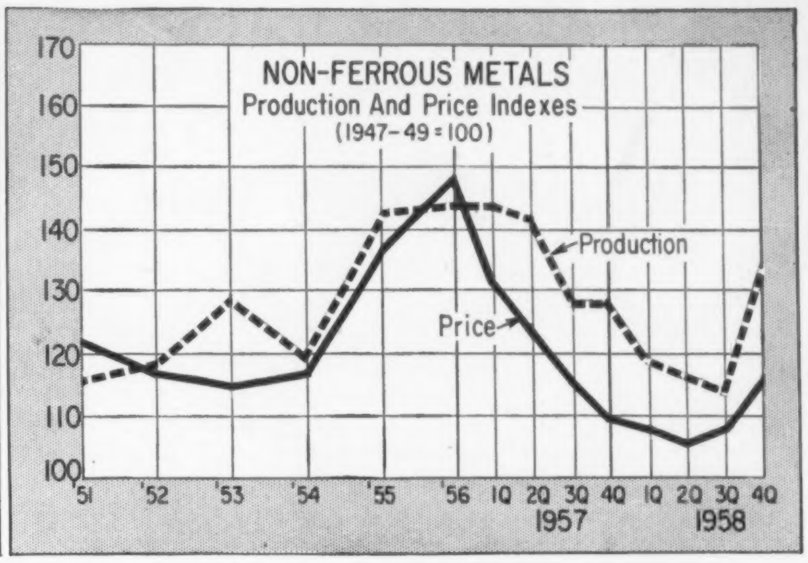
Despite a year-end recovery to 13¢ a lb., the price of lead has again dropped to 11¢ in New York. As with zinc, the near-term price outlook is not strong.

Under the influence of the depressed price, U. S. mine production last year declined 20% below the 1957 total. Despite the production cutback, domestic stocks continued to increase and at the year-end, were a little over 300,000 tons.

Foreign lead was again imported into the U. S. in large quantities despite the quota restrictions on raw lead imposed during the last quarter. Because of the restrictions, lead products manufactured abroad have begun to appear in this country.

• **Magnesium:** U. S. consumption of magnesium dipped 15% under 1957 last year. The forecast for 1959 places demand about on a par with 1958.

The long-held magnesium price of 35¼¢ a lb. shows no likelihood of changing.



This Week's

Washington Perspective

MARCH 2-8

President Eisenhower shows no signs of weakening in his strong anti-inflation fight. Big question in Washington was if the President would continue to follow through on his strong hold-the-price-line talk once he had submitted his budget.

But if anything, Eisenhower is stepping up his fight. Note his press conference remarks last week. He faced up to the fact that wage increases undoubtedly would be won by the steelworkers in negotiations this summer.

But he urged that they be held to strict productivity gains. If so, he put the steel companies on notice that they shouldn't have to hike steel prices.

At the same time, the President argued that encouragement should be given companies to pursue higher profits. He said profits shouldn't be set up as a target to shoot at, and warned against imposing such high taxes on business that profits would be depleted to such a point that alternate means would have to be followed to finance the government.

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Washington is stepping up the pressure to curb the growing concentration of power in major industries.

Latest moves are being made in Congress. Sen. Estes Kefauver's Antitrust and Monopoly Subcommittee eyes legislation that would force General Motors to divorce itself from its auto financing subsidiary, General Motors Acceptance Corp.

The legislation also is aimed at G.M.'s two competitors, Ford and Chrysler, by making it a violation of antitrust laws for auto manufacturers to own financing subsidiaries.

Ford already has announced plans to establish a finance company; Chrysler is rumored to be considering the same.

The House is giving antitrust activities a big play also. Rep. Emanuel Celler's Judiciary Committee is readying a broad probe into concentration in industries with a view to writing tougher antitrust laws.

Democrats feel the antitrust route is one of the most promising for dealing with the problem of inflation. By exercising stronger antitrust weapons, they feel they can keep the power of administered price industries from spreading.

Don't overlook the Administration. It may outdo Congress in the same area. It shows signs of stiffening its attitude toward industrial concentration all down the line.

Big things may be coming from it. Already, the Justice Department is directing a grand jury investigation of G. M. and U. S. Steel on their pricing practices and possible violation of antitrust laws.

The investigations conceivably might even lead to a breakup of the two industrial giants.

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Kefauver also swings into administered price investigations again this month. Hearings reopen March 10.

Kefauver now is calling for a new approach to deal with the whole problem of prices and inflation. He says the government at present is powerless to do anything to halt prices from spiraling upward.

The Tennessean says it's up to Congress to come up with a solution.

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The House Legislative Oversight Subcommittee has asked for a new lease on life to continue its investigations into the Interstate Commerce Commission and other federal regulatory agencies.

Committee Chairman Oren Harris has asked for $200,000 to finance the investigations of the subcommittee, which last year turned up the Goldfine-Adams case and improprieties in the Federal Communications Commission.

The group has set as one of its goals a closer look into I.C.C. rate-making and policy decisions. Harris charges that in many cases rates have been set too high.

Coal Conference to Fight Imports

(*Continued from page* 1)

step up coal consumption at home—particularly in the utility field—to seek ways of expanding exports recently hurt by stiff new West German import quotas, and to encourage more government assistance in mining research.

But the prime objective, Love indicated, is to persuade the Administration to include residual fuel oil in any new mandatory oil import quota program. Residual oil, not now covered by the voluntary quota plan, is taking away business in the utility field, coal men say.

The conference is backing the National Coal Association's petition to the Office of Civil and Defense Mobilization to include residual oil in its new quota program anticipated by the end of this month.

The coal group is basing its request for more important protection on grounds of the importance of coal to national security.

Purchasing Agents Judging Future Operations On Basis of Slow Rate of Business Recovery

Late Production Figures Show Improvement Over Previous Levels

New York—Purchasing executives are planning future operations on the basis of a continuing slow rate of business recovery. And judging from latest production statistics, their conclusions about the economic outlook are correct. Outside of strike-inspired buying—production in most lines shows only modest improvement over previous output levels.

And it's a trend you can expect to persist. For most spending areas—capital goods outlays, consumer buying, inventory accumulation, and construction—are only mildly bullish. They certainly show no signs of any big spurt.

Poses Problems

Such an output picture, with its slow rate of growth, poses some knotty purchasing problems. Recovery is on too slow a scale to warrant any large buying spree—except where strike or price factors dictate otherwise.

On the other hand, the output rise is steady and persistent enough to make any continuation of recession buying policies dangerous and sometimes pretty expensive.

A closer look at the recent production data can give a pretty good idea where the economy stands now, and can perhaps provide some hints on future buying policies and business trends.

Output Recovering

On the positive side, output has recovered most of its 1958 losses. Hard goods production, now reported at 154 (1947-49 equals 100) has recovered four-fifths of the recession decline.

But the slow rate of upturn makes it highly unlikely that full recovery will be achieved before summer. The chart above, based on the current rate of increase (now about 1% per month), estimates that it will take about five more months to reach early 1957 peaks.

Most Severe Recession

This would make the recent recession the most severe of the three postwar downturns on two separate counts:

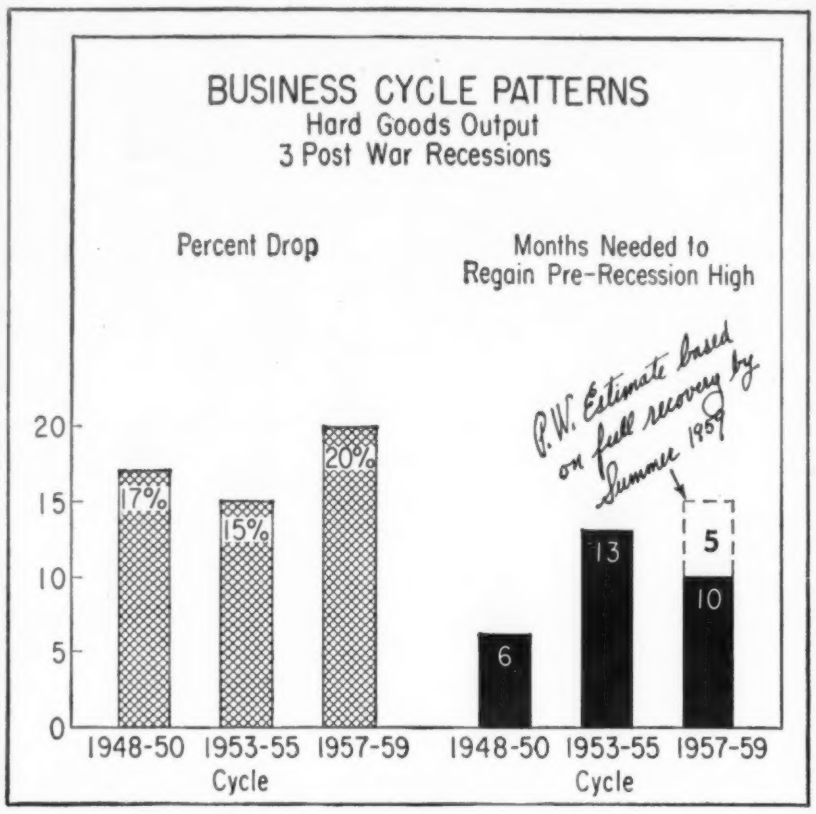
• **Intensity**—The recent 20% drop in production activity was considerably more than the 17% and 15% declines recorded in the 1948-50 and 1953-55 cycles.

• **Duration**—The estimate of full recovery by this summer would mean that some 15 months were needed to achieve prerecession highs. Some six and 13 months were needed to achieve these levels in the 1948-50 and 1953-55 cycles, respectively.

But once full recovery has been achieved, what's the outlook for the rest of the year? As of now, a continuation of a current slowly rising trend is about the best that can be expected.

Putting a damper on any big new business spurt are several shaky areas. They are important enough to make any "boom" prediction somewhat hazardous for the second half of the year.

Consumer spending trends will



perhaps prove the most important of all these shaky areas. Key auto buying, for example, has not been up to expectations. Based on current buying, only some five million automobiles will be sold in 1959. That's well below the industry estimates which range upwards of 5.5 million units.

On the other hand, it is still a bit too early to reach any final conclusions about automobile sales. This spring will probably provide the real answer to how 1959 models will fare.

Most of the car buying is done when the weather turns warm, and a good many sales outlooks in the past have had to be radically revised by a spring switch in consumer buying sentiment.

Unemployment is another yardstick to watch when gaging consumer buying. If current 6% unemployment figures continue, they are bound to take their toll by having an adverse effect on total buying.

Capital goods purchases are another major weak spot in the 1959 business picture. As of now, no economist or business expert has firm proof that capital equipment outlays are heading up.

They only can make estimates on the fact that management usually becomes more optimistic during a business upturn—and tends to revise spending plans upward.

If the slow rate of recovery continues, and consumer buying disappoints, top management may not be so optimistic as originally anticipated.

A more complete picture should be available by mid-April when McGraw-Hill's 1959 capital equipment survey is completed.

What you do in inventory buying is still another important factor in the 1959 outlook. Inventories play a key role in business trends.

Total business stocks show no sign of any big jump. With most P.A.'s following a cautious buying policy, except for strike-inspired purchases, only a small accumulation is looked for in the next few months.

Construction is still another important area to examine when appraising future business trends.

Some gain over last year's 1.1 million private housing starts is anticipated. But a rise in interest rates could put a lid on this by the second half of 1959.

In fact, it would not be too surprising if total first half 1959 construction activity actually tops the second half.

McGraw-Hill Indexes

	Latest Month	Month Ago	Year Ago
Basic Chemicals Price Index .... Chemical Week 1947 = 100	111.9	111.9	110.7
Construction Cost Index .... Engineering News-Record 1913 = 100	778.8	778.3	743.8
Electrical Materials Cost Index ...... Electrical Construction & Maintenance November 1951 = 100	112.2	112.2	111.8
Metalworking Products Price Index ... American Machinist 1947 = 100	158.0	157.8	156.2
Non-ferrous Metals Price Index ..... Engineering & Mining Journal 1922-24 = 100	183.4	184.0	170.7
Petroleum Refinery Products Price Averages Index .... National Petroleum News January 1957 = 100	90.0	90.2	95.6
Plant Maintenance Cost Index .... Factory 1947 = 100	172.5	172.1	168.0

NEW THREADED-JOINT NEOPRENE-SEALED

Control and Indicating Stations

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Buying Sketch Stirs South Bend P.A.'s

Niles, Mich.—Set up as a surprise, a sketch of salesman visiting a purchasing agent ignited lively discussions at the Purchasing Agents Association of South Bend educational program last month.

The session, fourth of a five-part series, also covered price and cost analysis. Prof. Vincent R. Raymond, Notre Dame School of Commerce, had a major plywood firm representative call on J. N. Grieveson, purchasing agent of Electro-Voice, Inc. The sales presentation and Grieveson's reactions resulted in audience comments.

Professor Raymond also reviewed case histories from files of Harvard Business School to stimulate creative thinking on "What is a Fair Profit?" and "What Course to Follow in the Case of a Projected Supplier Price Increase."

Twin City Assoc. Offers Course for Beginners

Minneapolis—An eight-week evening course for apprentice purchasing agents has started under the sponsorship of the Twin Cities Association of Purchasing Agents.

William E. Stevenson, state assistant commissioner of administration, is the instructor of "Purchasing Principles and Cases." Stevenson will cover basic concepts and principles, organization, procedures, quality determination and specifications, legal aspects of purchasing, construction purchasing, records, reports and manuals, and purchasing personnel.

Katz Hits Jackpot Twice, Wins Award, Presidency

New York—Ben Katz, purchasing agent in the electronic division of Otis Elevator Co., hit the jackpot twice at last month's session of Purchasing Agents of Radio, Television, and Electronic Industries.

Katz was named "P.A. of the Month" and also was elected association president.

Other officers are Milton Brody, vice president; Abe Schneiderman, treasurer; B. Trimboli, corresponding secretary; and Ed Kovacs, recording secretary.

Panel at Little Rock Assn. Debated Business Future

Little Rock, Ark.—Business in Arkansas dropped 10% last year, member-panelists reported at the Purchasing Agents Association of Little Rock's January session. The group also decided that this year would be better than last year and equal to 1957.

Panelists represented the chemical, steel, aluminum, automobile parts, paper, petroleum supplies, and transportation industries.

Affleck Speaks at Toledo

Toledo, Ohio—The past presidents dinner sponsored in January by the Toledo Purchasing Agents Association had N.A.P.A. President Gordon B. Affleck as the main speaker. Association past presidents were honored guests.

Milwaukee P.A.'s Hear W. B. Pipp, Dr. Mossey

Milwaukee—Material handling technique and a review of the Middle East situation formed the program for Milwaukee P.A.'s January session.

Walter B. Pipp, manager sales engineering department, Rapids-Standard Co., Grand Rapids, Mich., spoke on "Technique: The Coordinated Use of Material Handling." Pipp said material handling technique involves more than just the use of equipment. It also means coordinated action between management and those responsible for handling equipment.

Dr. Raymond O. Mossey, a Milwaukee area physician, gave his views of the United States policy in the Middle East. He toured the area recently.

WALTER B. PIPP

DR. RAYMOND O. MOSSEY

General Dynamics Corp. Executive Predicts Air Cargo Competition Only One Year Away

New York—A major breakthrough in air cargo competition is only a year away, according to Earl D. Johnson, executive vice president of the General Dynamics Corp.

Speaking recently at a meeting of the Wings Club, Johnson revealed that by late 1960, turboprop airliners that can carry cargo as cheaply as trucks will be rolling off the production lines at Canadair, Ltd., of Montreal, a General Dynamics subsidiary.

He explained that Canadair already is building a plane for the Royal Canadian Air Force which "can be operated for as little as 3½¢ a ton-mile for freight." He described the plane as a swing-tail version of the CL-44.

He said the swing-tail feature will enable the whole aft section of the fuselage, including the entire tail, to be swung open like a door, permitting easy and full access to the craft's hold.

Because of higher operating costs, the air freight market has been confined mainly to low-density, high-value goods such as perishable produce high-fashion garments, electronic gears, etc.

Air carriers are confident, however, said Johnson, that if they can offer shippers rates that are comparable to the 3½ to 4½¢ tariff of trucking companies, speed of service will take care of their selling job.

Fiberglass-Reinforced Plastics are finding additional uses, Product Engineering, a McGraw-Hill magazine reports. The U.S. Navy is using them for torpedo launchers and torpedo tubes. Corrosion resistance, high strength, and simplified fabrication are the reasons for turning to the new material.

National Steel, Great Lakes Steel Announce $300 Million Expansion

Electrolytic Tin Plate Facilities Will Free Firms from Automobile Industry 'Captivity'

Detroit — Diversification may be the new road to economic stability in the Great Lakes area. And National Steel Corp. and its subsidiary, Great Lakes Steel Corp., are out to prove it with tin plate paving the way.

National Steel President Paul Carnahan described Great Lakes as it exists today as "practically a captive of the auto industry."

National Steel and Great Lakes are so sure of their diversification theory that they will put up $300 million for expansion. A facility to produce electrolytic tin plate, galvanized coils, and hot and cold rolled steel will cost $200 million. It will be erected in the Lakeside Dune area between Gary and Michigan City, Ind. The remainder will cover expansion of Great Lakes Detroit area facilities. This includes additional open hearth furnaces, conversion of existing ones to oxygen, and increasing capacity from 3.7 to 4.2 million tons annually.

To ease the strain on National's Weirton plant as well as what is described as a chronic shortage of tin plate, a new mill will be erected in Detroit which will produce 250,000 tons of band a month with 70,000 earmarked for the Chicago plant.

Using employment figures in the Great Lakes area, Carnahan gave further evidence of diversification stabilizing the economy. Carnahan said in 1958 employment in his plants dropped from 10,000 to 5,000, not to mention a complete shutdown last April. This situation could be eliminated with tinplate production, he emphasized.

A production breakdown shows sheet steel for autos accounts for 82% of great Lakes' capacity. Therefore the company always runs contrary to industry figures. Output for the first three-quarters of 1958 ran 42% of capacity. In the last quarter of that year it rose to 83% and currently is running close to 100%. The last figure should be compared to a current steel average of 84%. Great Lakes' share of auto business is about 9 to 10%.

Lack of Flat Rolled Sheet

Carnahan described the current steel shortage as mostly due to a lack of industry capacity for flat rolled sheet. He said Great Lakes was solidly booked through April, but in answer to a question on the prospects of a strike, he noted that the order book was rather empty for July.

Carnahan claims the aluminum industry will not make further inroads in supplying material for auto bodies, although he foresees continued aluminum gains in cast and forged auto parts. In the container field, Carnahan said it was difficult for aluminum to compete with the new, lighter gage tin plate that comes from modern mills, particularly in the frozen food industry. He acknowledged, though, that aluminum might make further gains in containers for the oil industry.

Plastic Freight Rates Cut

New York—Freight forwarder rates on laminated plastic materials have been cut to $3 a cwt. on shipments between Boston and Chicago. The new rate applies to bars, blocks, sheets or tubes, unfinished articles, and laminated products but pickup and allowance are not included.

3 Europe Trade Groups Unite Against Competition

Paris—Unity seems to be the way Frence, German, and British industries will meet Soviet and United States competition. These nations' construction-equipment trade associations have decided to join forces, a European trend.

The organization, Committee for European Construction Equipment, was set up here on Feb. 5. Other Organization for European Economic Cooperation countries' trade associations will be asked to attend the second session of C.E.C.E. scheduled in May.

Seeking cooperation, the founding countries listed these goals: standardization, nomenclature, specifications and testing conditions, exchange of information.

Two other organizations, one for the six Common Market countries and another for O.E.E.C. nations have been formed for the mechanical and electrical industries. These groups concentrate on economic policy, pricing, and tariffs.

Britain's Steel Picture Seems To Be One of Sharp Contrasts

London—The British steel production picture is one of sharp contrasts, British Iron and Steel Board reports.

Steel output is now running at 75% capacity, the Board says, but output has not dropped since the last quarter of 1958. Sheet and tinplate division is operating at full capacity with light product plants still having a difficult time but showing some improvement.

Heavy steel makers are most affected because of severe drops in demand from shipbuilding, construction, coal mining industries, and railways.

Japan on Scrap Iron Spree Spent $36 Million So Far

Tokyo—The Japanese are on a scrap iron buying spree. Allocations of $36 million for the second half of fiscal 1958 ending March 31 already have been utilized. In comparison, Japan imported only 50,000 tons of scrap iron worth $2.5 million during the first half of the fiscal year.

The current trend toward speculative scrap buying began last November when controls over domestic steel production were released. It also stems from anticipation of an over-all economic recovery in the United States and major Japanese steel makers' expectations of price rises for U. S. scrap.

Steel producers also have asked the government for additional allocations of U. S. dollars under the import budget to acquire even more U. S. scrap iron.

Japanese Steelmakers Plan 10-15% Production Hike

Tokyo—Strong speculation of a U. S. steel strike this summer is already having an effect here. Japanese steel makers are planning to increase production between 10 and 15%.

Last year, Japan exported a total of 1.1 million tons of steel worth $277 million mostly to U. S. This was a jump of 21% over 1957 and came at a time when there was no interruption in the U. S. steel production.

Domestic prices of Japanese steel were hiked last month, $8.30 per ton for steel rods and shapes and $5.50 on plate.

Canadian Electrical Mfrs. To Request Import Review

Vancouver, B. C.—Canadian electrical manufacturers soon will present a brief to the Ottawa government requesting a general review of the import situation.

Speaking at a recent "Electrical Day" conference, William I. Turner, president of the Canadian Electrical Manufacturers Assn., declared that at least half of Canada's $450 million electrical imports could be produced domestically.

Turner said Canadians can manufacture electrical equipment for the same price as the U. S. or Great Britain, but blamed national government thinking for the large amount of imports.

The government attitude, he said, seemed to be "how can we get it into Canada without having to pay duty on it?" Instead of "how can we have it built in Canada?"

British Conference Set

London—British Purchasing Officers Association will hold its 1959 annual conference and "Minibition" Sept. 24-26 at Folkestone, Kent.

Monthly Trend in Freight*

(% Change from Corresponding Month of Previous Year)

Railroad Freight Car Loadings	+9.0
Trucking—Intercity Tonnage	+17.4
Air Freight and Express—Ton Miles	+17.3
Waterways—Foreign Trade Ship Clearances	—4.7

*Latest month for Railroads is January; Trucks, December; Airlines, November; Waterway, September.

This Week's

Foreign Perspective

MARCH 2-8

London—European trade developments are coming thick and fast.

Latest moves are all connected with the Common Market, which officially started on January 1 this year.

For one, the Euromart is accelerating the establishment of American subsidiaries. Just last week, in fact, quite a stir was created by the news that DuPont was setting up its European headquarters at Geneva.

There's an investment angle also on current Common Market developments. From Amsterdam comes the report that a European banking and finance group is establishing an investment trust—Eurunion—for purchase of the stock of European companies.

Tradewise, this step emphasizes the new flexibility of the European economy. European markets now are acquiring an international status.

Next key Common Market date will be March 1. That's when the Market's executive body is scheduled to come up with its recommendations for associating other countries with the trade group.

• • •

Bonn—The political impasse between West Germany and Russia isn't preventing a growing volume of trade between the two countries.

Newly signed agreement calls for trade in both directions of $250 million in 1959. That's an increase of more than $50 million over the figure programmed for 1958.

Biggest surprise was the clause calling for the importation of Soviet cars into Germany.

The Soviets propose to sell 900 of their "Volgas" and "Moskvich" models at an average price of about $1,200. Allowance also is made for about $357 million worth of spare parts.

Business circles foresee little difficulty in the Soviets disposing of 900 cars—although in other categories they have failed to find a sufficient number of buyers in recent months.

Soviet quotas for grain also have been raised and a quota set for vodka. But chemical products, oil, pharmaceuticals, and rolling mill exports from the Soviet Union have the same quotas as for 1958.

Germany also is stepping up its trade with Poland. Bonn and Warsaw recently concluded a pact calling for about $76 million in each direction.

• • •

Paris—Thanks to continued cooperation, West European nuclear power development continues to make significant advances.

Newest project is decision of Organization for European Economic Cooperation (consisting of 12 countries) to build a high-temperature gas-cooled reactor.

The project, known as Dragon, will center on the construction of an experimental power-producing reactor (several megawatts) at a research facility of the British Atomic Energy Authority.

An international design team will draw up the working plans, based on a preliminary design proposed by the British. **Design object is to get an outlet temperature high enough (around 750C) to operate modern steam turbine generating sets.**

Budget for the project, $38 million, includes reactor construction costs and expenses of a five-year research program.

Some $28 million of this will be a joint contribution—with England and Euratom donating the lion's share.

The remaining $10 million will be supplied by Great Britain alone who will own the reactor when the international program is finished.

• • •

Kuala Lumpur, Malaya—Stepped up Communist buying of natural rubber is exerting a bolstering force on the market.

Incomplete 1958 returns show tremendous percentage gains in rubber purchases by both Russia and Red China.

Moscow natural rubber buying from Malaya during the first eleven months of 1958 hit 182,500 tons. That's more than double the 1957 figure.

Similar increases are reported in sales to Red China. Peiping took 64,036 tons from Malaya in 1958—104% higher than '57.

While Communist buying is still relatively small compared to total world sales, growing Soviet interest can't be ignored.

Some sources here feel that if America were to drop out of the world market, Russia might step in and purchase U. S. share. Any such development could have important economic and political repercussions in Asia.

Firestone Tire & Rubber Planning Move into Production of Synthetics

Will Build Plant to Make Coral and Diene In Commercial Quantity; Other Companies Active

Akron, Ohio—Firestone may be stepping out in front in the race to market a competitive synthetic which will take the stretch out of natural rubber prices. It has announced plans to build a 30,000-ton annual capacity plant to produce commercial quantities of Coral, Firestone's natural rubber equivalent, and Diene, a partial replacement for the tropical plantation brand.

Other firms also are planning to produce improved synthetic products and end fluctuations in the rubber market.

But Firestone Tire & Rubber Co. appears to be first to announce plans to move out of the pilot plant stage. It is banking on a price reduction in the petroleum derivative isoprene to help capture a market.

Other firms have not been idle. Goodyear Tire & Rubber Co. has announced that Natsyn, a synthetic equal to natural rubber, is in pilot production. B. F. Goodrich Co. and Gulf Oil Corp. have formed Goodrich-Gulf Chemicals, Inc., which has developed Amerpol SN, also in pilot operation.

Others include Enjay, Esso subsidiary, butyl tire; Phillips Petroleum, polybutadiene tire; and Montecatini, an Italian firm, polypropylene copolymer tire.

The industry has a right to be concerned about fluctuating prices. Natural rubber dropped from 86¢ a lb. in 1952 to 30¢ last year and now is 28¢. The near-natural rubber could certainly act as a price lever.

No one in the industry wants to do away with natural rubber. But price fluctuations and the possibility of being cut off from the Far East supply pushed research into synthetics.

Firestone's Coral and Diene plant will be erected at Orange, Texas. Company officials expect construction to be completed in two years. It will be an addition to the firm's petrochemical plant. Facilities can be converted for either synthetic.

Production of Coral rubber and equivalents would diminish reliance on natural rubber, but Firestone needs isoprene to make the new synthetic. At present, isoprene is 25¢ a lb. in tank loads. This would push price of Coral above the present general purpose synthetic, GR-S, now 23¢ a lb. Firestone hopes that the isoprene will drop, making the new synthetic marketable.

Firestone's Diene is made of equal amounts of butadiene and natural rubber. Butadiene, like isoprene, is a by-product of petrochemical operations. Unlike isoprene, butadiene is available in large quantities at marketable prices.

CORAL, synthetic resembling natural rubber, is coming off production machine. Synthetic was developed by Firestone Tire & Rubber Co.

Dayton Rubber Forms Air Safety Subsidiary

Toledo—Looking to needs in jet and space travel, the Dayton Rubber Co. has formed a subsidiary to develop and manufacture passenger and pilot safety equipment.

Strato-Safety Mfg. Corp., with plant and offices at Torrence, Calif., will start with oxygen hose, oxygen masks, survival kits for jet travelers, and chemical hoses for guided missiles. Other safety devices are now in development.

The new firm also will offer special services for military development work, with an eye toward research and development of manned space flight.

Missiles Firm to Make Food Vending Machines

Manhattan Beach, Calif.—United States Chemical Milling Corp., a leading aircraft and missile subcontractor, will make coffee and hot chocolate vending machines. The firm accepted a $2 million contract to build automatic vendors of advanced design.

The decision is away from the trend of other commercial firms which are seeking diversification in the military field. Automatic Foods Corp., of Chicago, ordered the vending machines.

Purchasing Week
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Be an Enthusiastic and Positive Thinker

NOW that spring training is under way, every time we turn to the sports pages, we're sure to find an item or two about an enthusiastic youngster catching everyone's eye.

We also find the word enthusiasm used extensively when sales managers are talking. They claim enthusiasm in selling is as important as product knowledge. From the purchasing agent's standpoint this may not be true. Certainly it's much nicer to have a man come into your office who knows what he's talking about rather than a man merely bubbling with enthusiasm. Obviously, when sales managers talk about enthusiastic salesmen, they are not talking about men who know nothing about their products.

Enthusiasm can be deep seated. It can reflect sincere thoughts. Any superficial enthusiasm is false and really not much better than having no enthusiasm at all.

Just check off in your mind the enthusiastic people in your company. You'll find the enthusiastic ones are positive thinkers. You probably will find no difficulty in thinking back to your most recent meeting or conference. If it were typical, you witnessed both positive and negative thinking. For every idea that was brought up, there was someone—and usually the same one—who objected to it and could give some reasons that seemed logical as to why the idea would not work or was not good.

On the other hand, you probably heard in the same meeting a positive thinker—a man who was fully aware of the obstacles that would stand in the way of an idea being fulfilled but who at the same time looked for ways to overcome these obstacles rather than thinking that the obstacles were insurmountable.

It takes a willingness on your part to recognize that the other fellow can have good ideas. Some ideas are not workable, some are impractical, and some should be discarded completely. But until you are certain of your reasons, why not approach ideas positively? Why not give them a chance to develop?

With enthusiastic, positive thinking you will soon get a reputation for being a man who is receptive to new ideas and one who can help iron out the flaws in any plan or idea. This is a mighty nice reputation to have. It is the kind of reputation that leads to promotion and greater responsibilities.

Inflation—We Explain It in Charts

Inflation is on everyone's mind these days, and purchasing executives are among those who are most deeply concerned. Like many other subjects inflation is one that takes on many different appearances; it's all according to how an individual or company is affected.

Sitting in the key spot that he does, the purchasing agent must be able to look upon inflation from the other fellow's viewpoint. That's why in the center spread of this issue our economics department has done a chart story telling you where inflation has hit, what it has meant, and, above all, where are we going.

Your Follow-Up File

"Procurement Is Composed of Many Parts"

Stanford, Calif.

We are always happy to receive carbons of letters. The following letter was written to a Denver purchasing agent by Lamar Lee, Jr., who gave us permission to use it. We thought you, too, would be interested in his comments.—**The Editor**

In my judgment, the crux of the materials management concept is to be found in the composition of the procurement function itself.

Procurement in its broadest sense can be broken down into many parts. The box in the right hand corner of the PURCHASING WEEK article ("As Management Tries to Wring More Profits Out of Materials, P.A. May Find His Field Broadened," Jan. 5, p. 12) gives a 22 part breakdown. Others could have been included, such as traffic, vendor relations, and analyzing the need. Some of those listed could have been further subdivided. The listing is not really important; what is important is the understanding that the function of procurement is composed of many parts—not all being inextricably related.

As industry is presently organized, these parts are assigned to different departments in many varying combinations. There is no standard procurement department which includes all of them. There is not even a standard purchasing department. As you know, some include inventory control; others do not.

Surprisingly, not all purchasing departments even include issuing the purchasing order, although 99% do. Assignments are made on such bases as expediency, qualification of personnel, company policies, size of company, differentiation of product, degree of decentralization, location, and management philosophy.

Materials movement is divided into two main phases: **1.** Up to the time materials are issued to production, and **2.** From the time of their receipt by production to the time the finished product is sold. Until recently, most companies thought of materials management as ending with the first phase. Now the more progressive thinkers are realizing that substantial advantages can accrue if both phases are combined.

The primary benefits of combination, as I see them, stem from two basic advantages. First, the entire materials management responsibility is assigned to those whose primary concern, interest, and skills are devoted to this phase of business management. Secondly, it avoids costly duplication. For example, records of material for production control are often a duplication of purchasing records.

As management becomes increasingly aware of the financial and administrative advantages of integrating the various phases of procurement, we should see a stronger trend in this direction. That is why I believe the progressive purchasing executive should be acutely aware of this situation. He is in an excellent position to benefit his company and himself along these lines.

Lamar Lee, Jr.
Assistant Professor of Business Management
Graduate School of Business
Stanford University

Article Gives the Answer

Baltimore, Md.

We are particularly happy to note your new Business Barometer ("Purchasing Week Devises a Business Barometer," Feb. 9, p. 1).

Some years ago *"Business Week"* ran an article on predictions, and they particularly called attention to the same phrase that you use, "Where We Are Now, and Where We Are Going." Since that time, we have been attempting to determine this in our own business.

Your article certainly gives the answer to the question of where we are now, and . . . you are to be commended for such a fine and useful article.

Melvin Fuld
President
Fuld Brothers, Inc.

Wants Coatings Information

Mineral Wells, Tex.

You recently had an article on coating materials ("New Paints & Coatings Available to Purchasing," and "Knowing How to Buy Industrial Paints Can Add to Influence of Purchasing Men," Feb. 9, p. 22) and also covered this in your PURCHASING WEEK definitions ("Protective Coating Materials," Feb. 2, p. 18).

Would you please furnish us with all of the information you have on epoxy coatings, along with sources where they may be obtained.

R. H. Strain, Jr.
Controller
Perry Equipment Corp.

2 Reasons for Omitting Phone Numbers from Orders

Burbank, Calif.

Paul B. Lovegren, Magnavox Co., asked why telephone numbers are often omitted from purchase order forms ("Your Follow-Up File," Feb. 9).

Although we include our telephone number on our purchase orders, I can see two reasons why they are often left out:

1. In many areas the telephone company changes telephone numbers, possibly due to growth within an exchange and installation of new equipment.

2. Rapid growth of small companies has necessitated installation of rotary telephone systems which usually brings about a number change.

Therefore, in many instances if a telephone number is included in company forms they soon become obsolete.

Robert C. Danis
Purchasing Agent
Behlman Engineering Co.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

PURCHASING WEEK Asks You . . .

Do you believe purchasing personnel should be rotated on buying assignments or be allowed to specialize in procurement of a single item, or group of related items?

W. R. Spaur
Eaton Metal Products Co., Denver

"The size of a department governs largely whether buyers rotate on assignments. From necessity a smaller department must utilize its personnel on all items. In larger departments it seems feasible to rotate buyers at least to the degree that the whole staff has a well rounded knowledge of the company's entire purchasing function. Then individual buyers should be assigned to the procurement of single items, or related groups of items where they show the most ability to comprehend and handle. As our scientific and technical advancement increases, specialized buying becomes more of a necessity."

D. J. Devine
Kraft Foods, Division of National Dairy Products Corp., New York

"I believe personnel should be rotated. From a flexibility standpoint, if such a program is conducted in an orderly manner, trained, experienced buyers are immediately available from within the department in the event of transfers, promotions or separations. A further advantage is that it develops and widens a buyer's background, perspective and knowledge of the purchasing function and its relationship to over-all company operations. A fresh perspective on an assignment promotes and encourages new concepts, techniques, and mechanics."

V. H. Gordon
Threw Shovel Co., Lorain, Ohio

"Both approaches are important and useful in meeting the complex demands of purchasing industrial equipment, materials, and supplies. We have followed both procedures to measureable benefit. Our program calls for practical rotation of purchasing assignments. In this process special buyer talents are revealed and eventually these talents are utilized to specialize in the procurement of groups of related items. The 'specialists' have contributed much to cost reduction efforts."

E. M. Krech
J. M. Huber Corp., Hillside, N. J.

"Specialized buying assignments are a luxury to be enjoyed by large companies with at least three buyers in any one purchasing office. In theory it has some advantages. In practice the results are subject to question. A specialist because of his knowledge may become static thus overlooking new ideas and developments. For this reason, I prefer to see specialists rotated periodically. The key to sound purchasing is the ability to negotiate. This applies either to a specialist or a buyer with rotating assignment."

Larry Graves
Post Division, General Foods Corp., Kankakee, Ill.

"Rotation in buying assignments, over a period of time, may be beneficial through broadening experience and strengthening the purchasing function. However, rotation presents problems where a wide variety of items are purchased. Items with relative price stability require a skilled negotiator; items with wide and frequent price fluctuations require a spot decision maker, while on items susceptible to value analysis, another qualification—an analytical mind—becomes paramount. An individual with all these qualifications fully developed is unusual."

R. E. Schuster
Wm. S. Merrell Co., Cincinnati

"In this jet plane-rocket era, one could not raise serious objections to the advantages of specialization. On the other hand, specialization should come after a good general background or education. Even then specialization should not be complete to the point where one's full time is spent in a given area. We all know the advantages of a vacation as a break in the routine. We also have seen the advantage of 'brainstorming' a problem to get the best solution. Both factors are at work as workloads are varied and furnish growth potential for the individual."

Meetings You May Want to Attend

First Listing

American Mining Congress—Coal Show, Public Auditorium, Cleveland, May 11-14.

American Standards Association—10th National Conference on Standards, Sheraton-Cadillac Hotel, Detroit, Oct. 20-22.

American Society for Metals — 11th Western Metal Exposition and Congress, Pan-Pacific Auditorium and Ambassador Hotel, Los Angeles, March 16-20.

National Association of Corrosion Engineers — 1959 Corrosion Show and 15th Annual Conference, Chicago, March 16-20.

Purchasing Agents Association of Indianapolis—1959 Indiana Industrial Show, Manufacturers Building, State Fair Ground, Indianapolis, March 18-20.

Previously Listed

MARCH

The Lighting, Lamps and Electrical Manufacturers Salesmen's Association — 2nd National Lighting Exposition, Coliseum, New York, March 1-4.

American Society of Mechanical Engineers—Gas Turbine Power Conference and Exhibit, Netherlands-Hilton Hotel, Cincinnati, March 1-5.

Los Angeles Chamber of Commerce—2nd Western Space Age Conference and Exhibit, Great Western Exhibit Center, Los Angeles, March 5-7.

American Management Association — Workshop Seminar, Organization and Management of the Purchasing Department, La Salle Hotel, Chicago, March 16-18.

APRIL

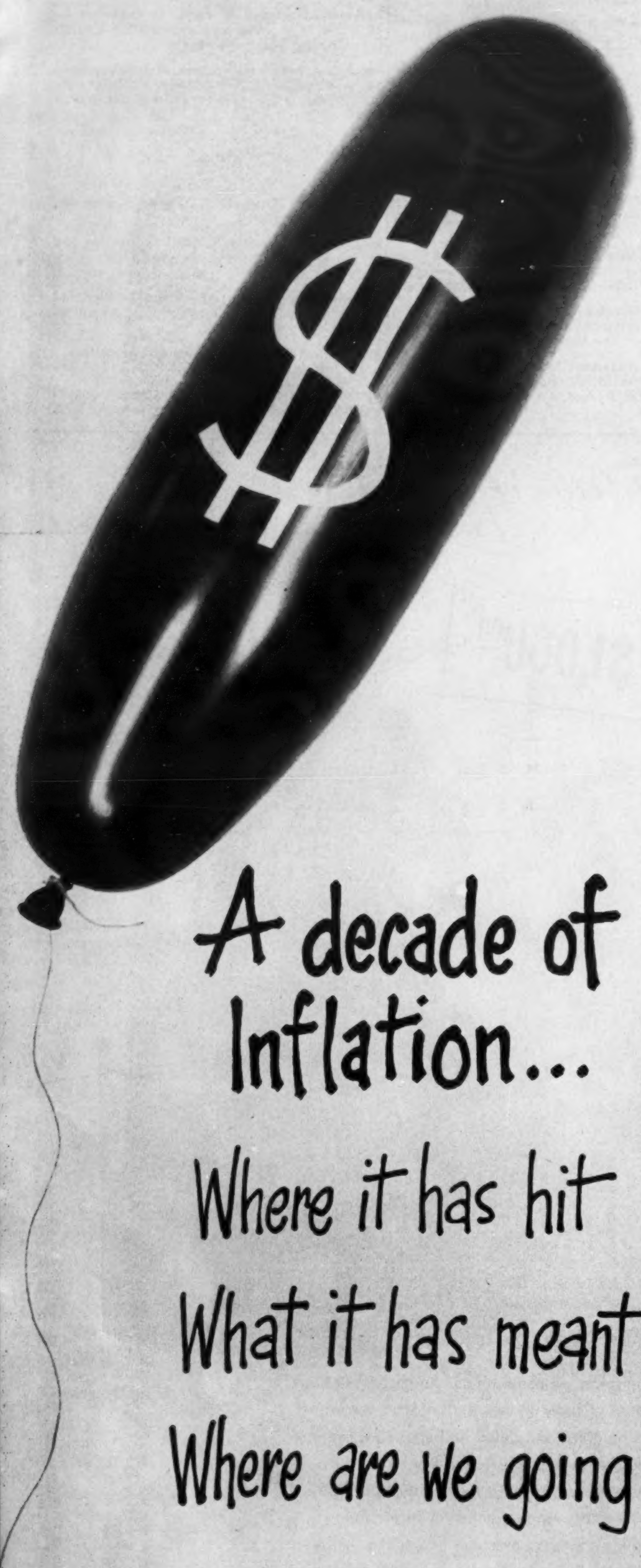
1959 Nuclear Congress — Public Auditorium, Cleveland, April 5-10.

American Welding Society—40th Convention and Exposition, Hotel Sherman and International Amphitheatre, Chicago, April 6-10.

American Management Association — National Packaging Exposition, International Amphitheatre, Chicago, April 13-17.

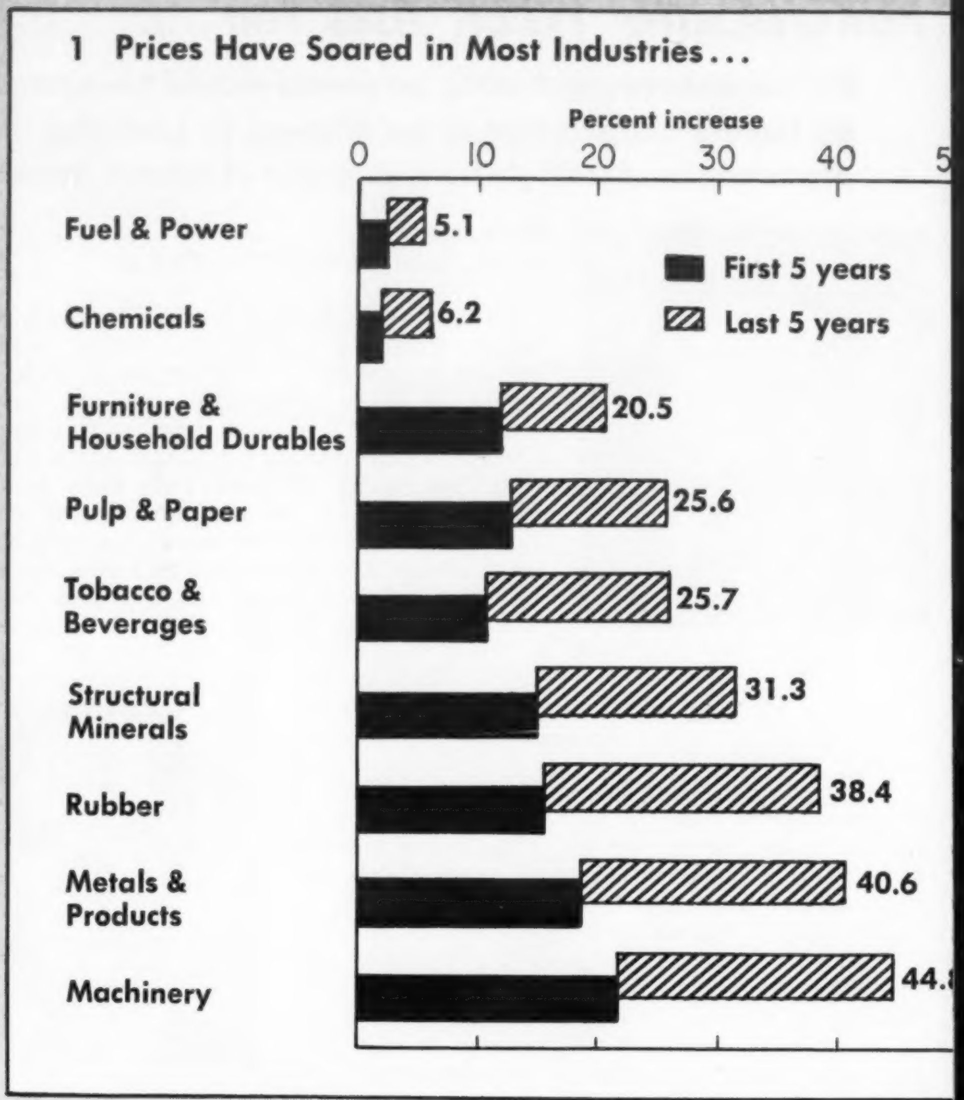
29th Annual Safety Convention and Exposition—Hotel Statler, New York, April 13-17.

American Society of Tool Engineers — Annual Meeting, Schroeder Hotel, Milwaukee, April 18-22.

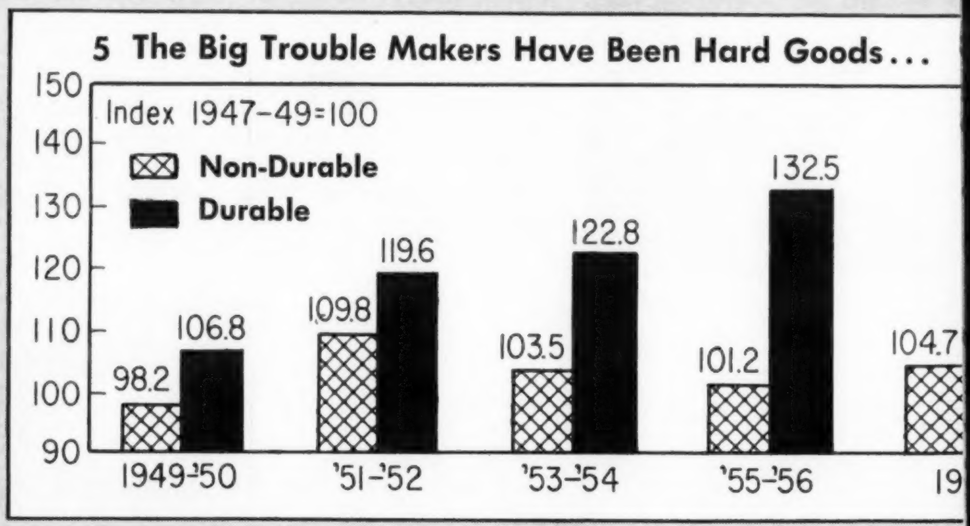


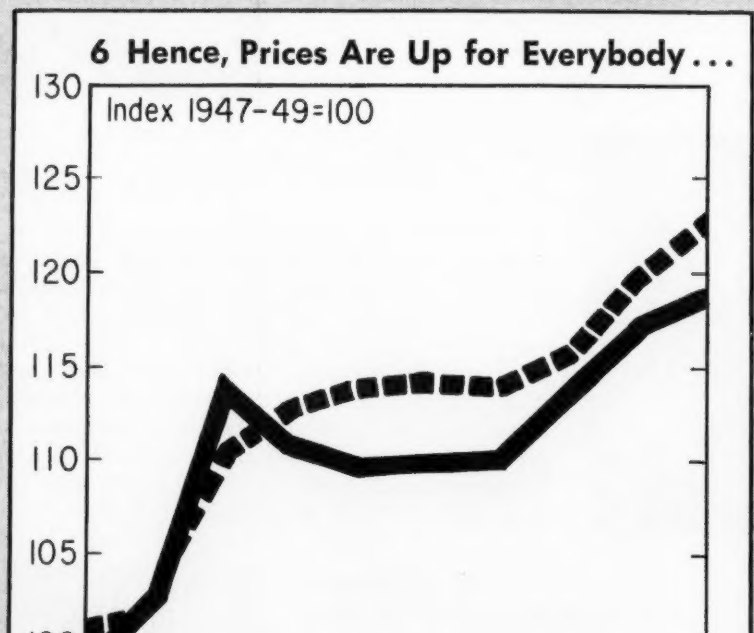
A decade of Inflation...

Where it has hit
What it has meant
Where are we going?



No matter from what industry you buy, it's costing you a lot more today th 10—even 5 years ago. Machinery and metal products show biggest gains.





These durable goods hikes were enough to push up price level some 20% for industries and consumers.

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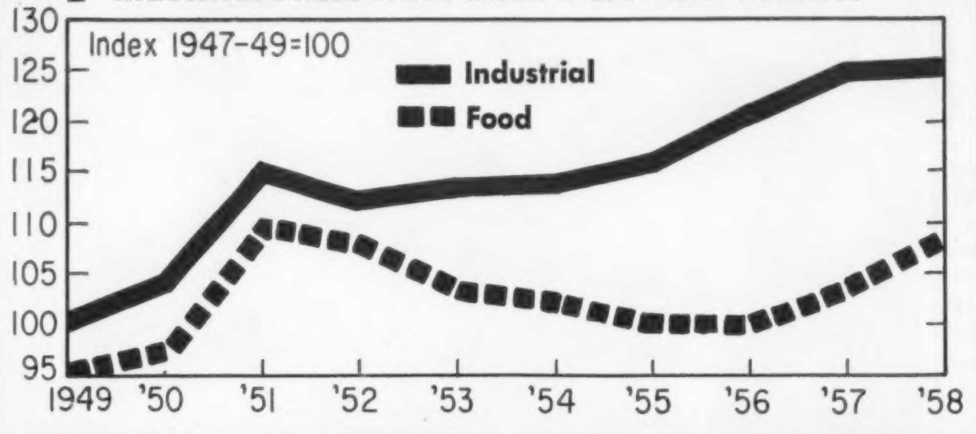
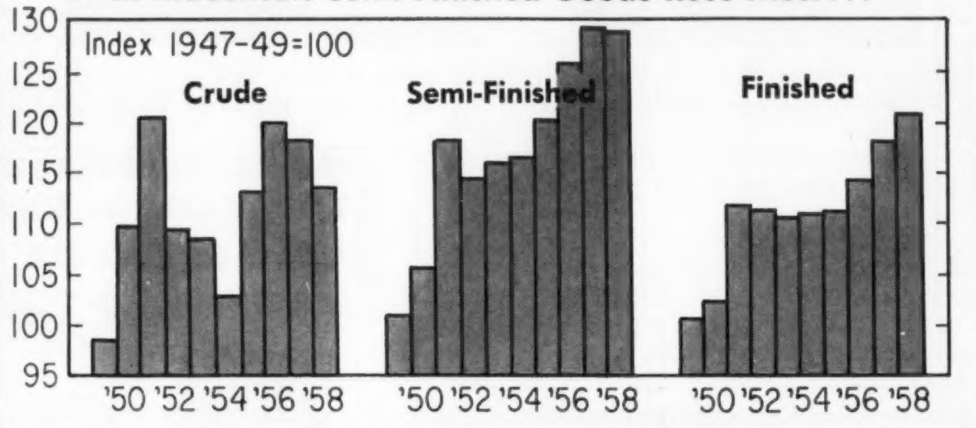
2 Industrial Prices Have Risen More Than Food...



You, the industrial buyer, have borne the brunt—with tags over the past decade rising 25%. Food prices, despite government props, are up about 13%.

3 In Industrials Semi-Finished Goods Rose Most...



A "stage of fabrication" breakdown indicates in what categories inflation has hit the hardest. Semi-finished goods lead, with close to 30% hike in ten years.

4 All but Two Categories Of Semi-Finished Goods Increased

	1948-53	1953-58
	% Increase	
Durable Manufacturing Materials	+26.3	+18.6
Manufacturing Components	+22.4	+19.9
Manufacturing Supplies	+16.0	+18.3
Containers (Non-Returnable)	+14.7	+18.2
Construction Materials & Components	+16.5	+10.6

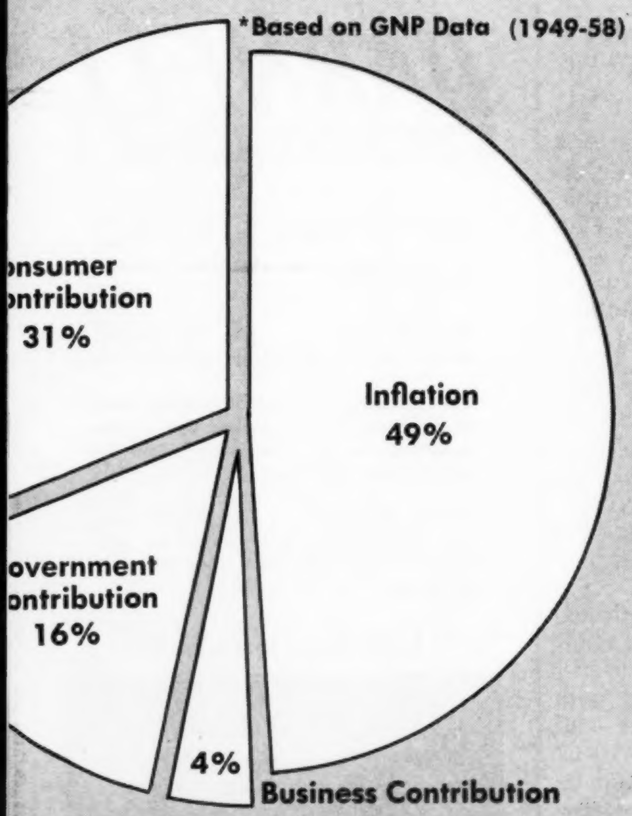
. . . The only significant categories which did not rise over the 10-year period were . . .

	% Change	
Non-Durable Manufacturing Materials.	—1.0	+0.7
Processed Fuels & Lubricants	—3.5	+2.7

Durable manufacturing materials and components show the biggest semi-finished jumps—4% per year over the decade.

The durable goods inflation reported in the semi-finished area was also noted elsewhere. In fact, hard goods account for the major part of the industrial price gain in all areas.

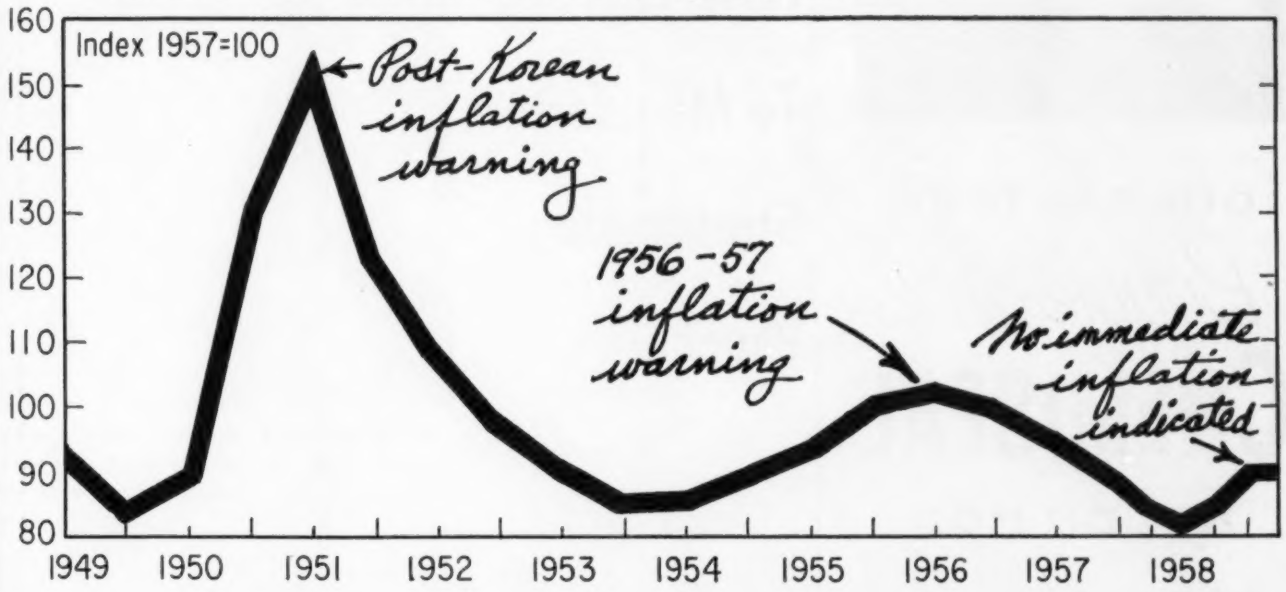
...ains Have Been Distorted by Inflation...



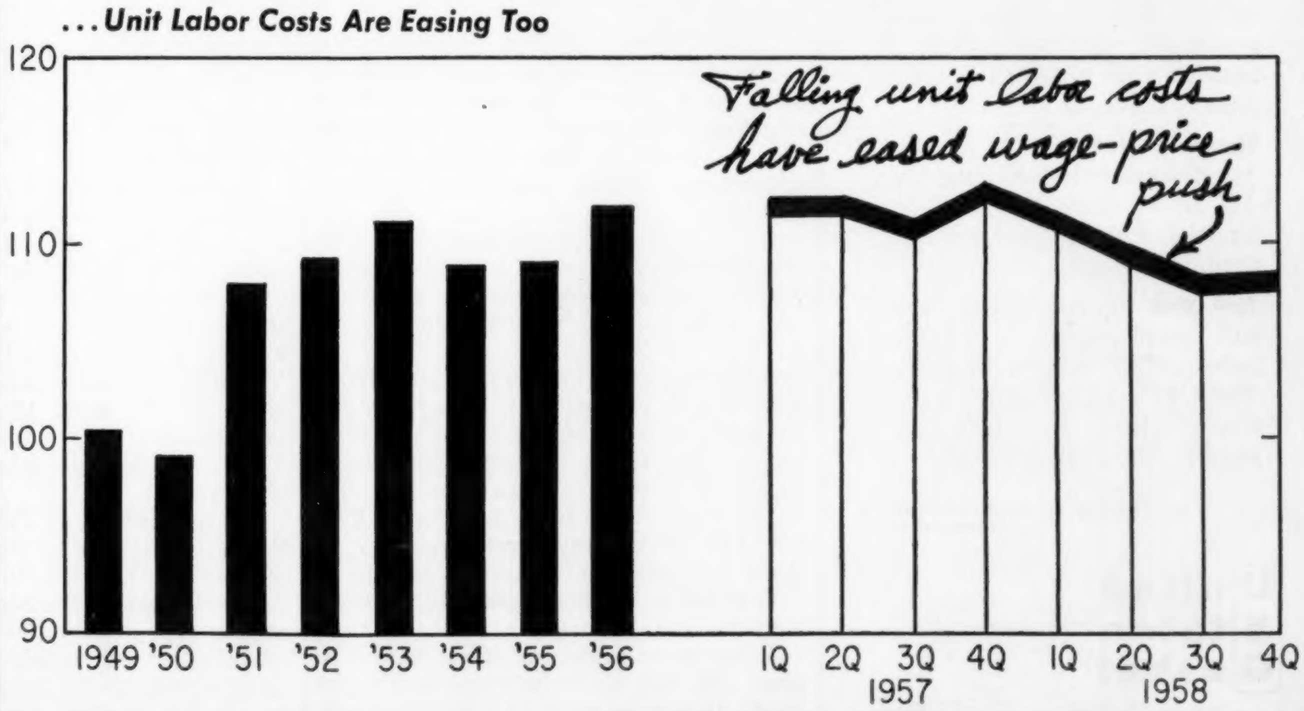
... prices have made much of long-term business rise ... Some 49% of the gain can be traced to inflation.

8 However, Signs Point to a Temporary Breather...

P. W.'s Industrial Price Barometer Is Holding Level and...



...Unit Labor Costs Are Easing Too



Two price indicators point to a pause in the inflationary spiral. Sensitive raw material prices, reflecting ample supplies, have been held in check. Unit labor costs, thanks to productivity gains, are also stable.

A P.W. Profile

Sports Fan Dick Harrell, Hotel P.A., Has Off-Season Stars as Assistants

A good spot for a red-hot bull session on sports or purchasing is the purchasing department of Cincinnati's Sinton Hotel. Here, you will find head P.A. Dick Harrell, onetime ('29) Holy Cross baseball and hockey star and captain, and his assistant, Don Gross, Pittsburgh Pirates pitcher.

Gross, assistant P.A. at the hotel for the past two winter seasons, was number one left-hand relief pitcher for the Pirates last year. He was credited with saving at least 12 games while compiling a 5-7 record.

Harrell, himself, had a brief fling in the major leagues, having played as a second baseman for the New York Giants under John McGraw in 1929. Playing in 32 games for the Giants that year, Harrell was traded to the Braves during the winter. After playing in the minor leagues he quit baseball in 1935 to go into the restaurant business.

With the Sinton Hotel for the past four years in his first purchasing job, Harrell, until recently, continued his active interest in sports. He was an International Hockey League referee for ten years until the Mohawks, the Cincinnati entry, folded.

Gross left in early February for the Pirates training camp in Florida, but he will be back next fall to resume his job at the Cincinnati hotel.

Gross, who does much of the food supplies purchasing for the Sinton, says he finds the work, "interesting, and I like it." In commenting further on his hotel job, Gross says, "Besides learning about the hotel business, it also helps keep me in shape. But I think I'll stick with baseball as long as I can. I would like to stay in there some way, even after my playing days are over."

No desk-bound P.A., Gross gets out in the stockroom and wrestles sides of beef and cartons of food to keep his arms and back in shape. He won't agree the job is the reason, but he says back trouble that used to bother him has vanished since he began doing the heavy work.

When Don leaves for the summer season still another sports figure takes his place at the hotel—Butch MacKay, defenseman for the Troy Bruins hockey team in the International League.

SINTON HOTEL'S P.A., Dick Harrell, left, holds a sports bull session with his winter season assistant purchasing agent, Don Gross, right, Pittsburgh Pirate relief pitcher.

8 Major Firms Now Licensed To Manufacture Stretchable Paper

HOLDING 'WONDERWALL' SACK, one of many stretchable paper bags on market, W. T. Wyman, director of purchases, Peerless Cement Co., poses against a stack of paper bags with C. M. Buchanan, packing foreman.

New York—Stretchable paper appears to have caught the imagination of all classes of consumers in a comparatively short time.

West Virginia Pulp & Paper Co. recently revealed that eight major producers have been granted licenses to produce stretchable "Clupak." Other companies are expected to sign similar licensing agreements shortly, according to West Virginia.

David L. Luke, president of West Virginia, sees Clupak paper as the "most important papermaking advance since the turn of the century." (P.W. Feb. 10, '58, p. 18.)

Soon to begin producing the stretchable material are International Paper, Crown-Zellerbach, St. Regis, Continental Can, Union Bag-Camp Paper, Albermarle Paper, St. Lawrence Paper, and Canada Paper. Licensing is being handled by Clupak, Inc., a company jointly organized by West Virginia, and Cluett, Peabody & Co., which holds the patent. Clupak takes its name from its inventor, Sanford Cluett.

When these firms, including West Virginia, hit full scale production, Clupak production could be at an annual one million ton rate. Industry sources hope that the price will go down simultaneously. As it stands now, prices on various Clupak grades run higher than prices on regular grades of kraft.

The multi-wall bag market has seen Clupak make an especially big hit. For example, W. T. Wyman, purchasing director of Peerless Cement Corp., Detroit, said he reduced breakage 90% with Clupak multi-wall bags.

Wyman said that by using a Clupak-type bag with one ply less than standard kraft, the bag still is stronger and thus equalizes the price. He said he had been using four wall kraft paper with three sheets of 40 lb. stock and one of 50 lb., making a total weight basis of 170 lb.

Although Clupak extensible paper runs about 7½% more than kraft, Wyman said, the cost was balanced by using the 3/50 Wonderwall (the West Virginia trade name).

H. A. Paulson, of Paulson Dehydrated Products Co., at Luverne, Minn., commented on the "less-damage" feature of the new paper. Paulson said that with regular type kraft paper bags a truck-load of alfalfa meal would result in 10-12 broken bags to be returned. He said he has had no returns since using the new stretchable paper product to package the alfalfa meal.

This Changing Purchasing Profession . . .

ABE MORIN has joined Bogen-Presto, division of Siegler Corp., as purchasing agent. He is located at the firm's Paramus, N. J., facilities and was formerly with Radio Receptor Co., Brooklyn, N. Y.

Harvey Brittle has been assigned the new post of director of purchasing and production by **C. S. Hammond & Co.** of New York and Maplewood, N. J. Brittle had been production manager.

JOSEPH F. CORTEZ has been promoted to purchasing agent, J. Bishop & Co. Platinum Works, Malvern, Pa. He joined the firm in December 1957 as a buyer.

Wesley J. Budziszewski has been named director of purchasing for **Milwaukee County, Wis.,** and will head the new central purchasing department scheduled to go into operation March 1. He had been assistant purchasing agent at Harnischfeger Corp., Milwaukee, since 1951.

William C. Erwin has been appointed agent in charge of the production purchasing section for **Pesco Products Division, Borg-Warner Corp.,** Bedford, Ohio. **George T. Weidinger** has been assigned to head the non-production purchasing section.

Frank M. Watson, Jr., formerly senior buyer, has been made assistant manager of **Virginia-Carolina Chemical Corp.'s** purchasing department. He succeeds **Preston L. Parrish** who became sales manager for inorganic chemicals.

Milton L. Prashaw has been named assistant purchasing agent in charge of non-productive buying and procurement for **Pontiac Motor Division,** Detroit. He succeeds **H. J. Peek** who retired after 24 years with the division.

Melvin R. Bock has been appointed general purchasing agent for **Pullman-Standard Car Mfg. Co.,** Chicago. **S. L. Walsh** and **R. G. Belden** have been named assistant general purchasing agents for passenger car activities and freight car activities respectively.

Wayne F. Mack succeeds **C. G. Mack,** who is retiring after 45 years service with the firm, as director of purchasing at **Hettrick Mfg. Co.,** Toledo.

George Whitney has been promoted from buyer to assistant purchasing agent by **Wisconsin Motor Corp.,** Milwaukee.

John Harkness has been made director of purchases by **Toledo Pipe Threading Machine Co.,** Toledo.

Obituaries

Albert S. Tammany, 68, retired purchasing agent, Joseph Bancroft & Sons Co., Wilmington, Del., died Feb. 1. He retired three years ago after 50 years with the firm.

Hugo W. Hauser, 52, purchasing agent, Allis-Chalmers Mfg. Co.'s Boston Works, died Jan. 29. Hauser joined the firm as a purchasing department clerk in 1924.

Horace Eli Taylor, 62, retired purchasing agent, Royal Crystal Salt Co., Salt Lake City, died Feb. 5. He served 35 years as purchasing agent for the firm.

Allen R. Leavy, 53, purchasing agent, Neisner Brothers, Inc., Rochester, N. Y., died Feb. 4. He had been with the company 30 years and became purchasing agent about 12 years ago.

Roland W. Vaudrin, 34, purchasing agent, Miami News, Miami, Fla., died Feb. 5. He joined the paper in 1949.

William H. Staub, 84, retired purchasing agent, United Railways & Electric Co., now Baltimore Transit Co., Baltimore, Md., died Feb. 5.

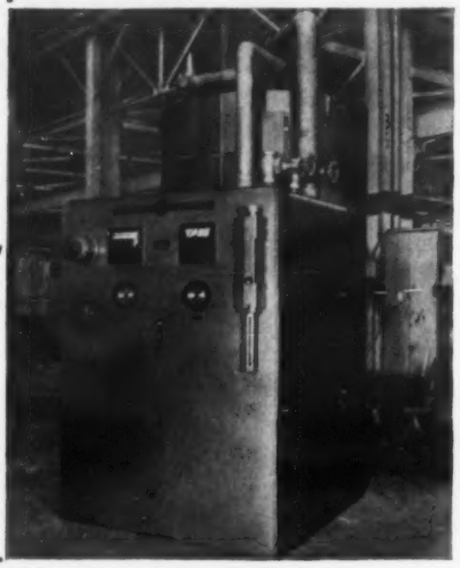
Here's your weekly guide to . . .

4 15/16"

Size permits you to paste on 3×5 card

Picture aids product recognition

2 3/4"



Gas Producer

Produces High Purity Ammalene

Gas producer makes Ammalene, a low-cost substitute for hydrogen. Unit is suitable for use in heat treatment and other applications in the food and chemical industries. Equipment is available in ratings from 500 to 8,000 cu. ft./hr. Residual ammonia in the gas produced by the equipment is 0.5% or less, with −40 to −60F. dewpoint. Equipment splits ammonia into hydrogen and nitrogen. Cooling water is not needed.

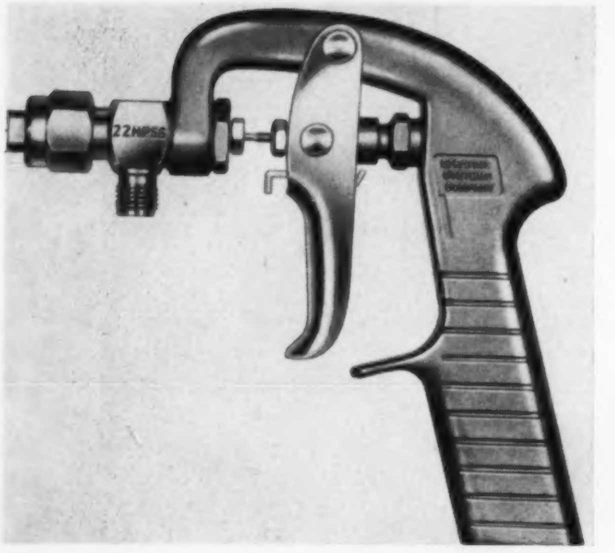
Price: from $9,700. Delivery: immediate.

General Electric Co., Industrial Heating Department, Schenectady 5, N. Y. (P.W., 3/2/59)

Copy gives only pertinent details, cuts your reading

How much it costs and how soon you can get it

You'll know when item appeared



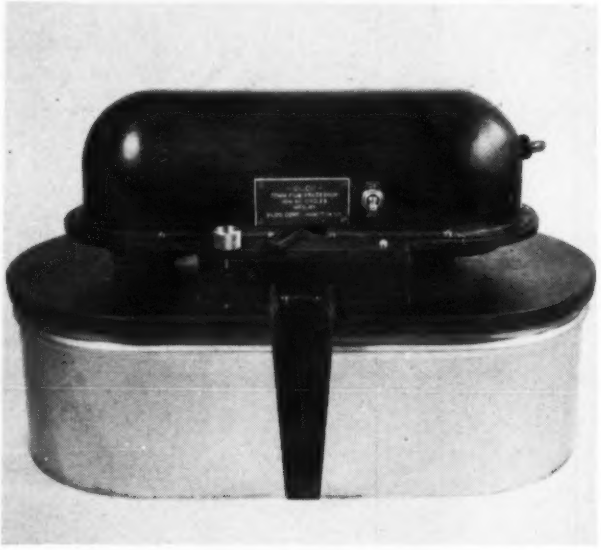
Spray Gun

Airless Paint Spraying

Gunjet heavy-duty spray gun 22 HPSSTC is used in hydraulic spray coating and painting at pressures up to 2,000 psi. Valve seat and mating needle insert are made of tungsten carbide for maximum resistance to abrasion. Gunjet weighs only 12 oz.

Price: $75 (less orifice tip) fob. Bellwood. Delivery: within 1 wk.

Spraying Systems Co., 3201 Randolph St., Bellwood, Ill. (P.W., 3/2/59)



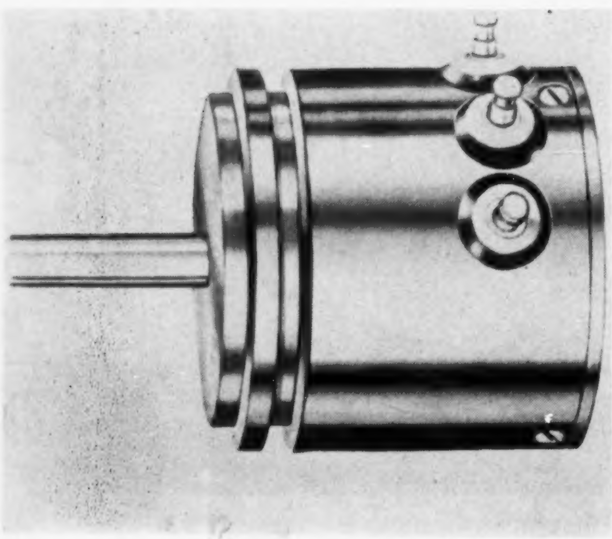
Film Processor

No Darkroom Necessary

Gilco 70 mm. film processor is designed specifically for the processing of 100-ft. rolls of 70 mm. film. It provides uniform processing of black and white or color film and can operate electrically from 115 v. ac. power or by hand if power is not available.

Price: $375. Delivery: within 30 days.

Charles A. Hulcher Co., Inc., 911 G St., Hampton, Va. (P.W., 3/2/59)



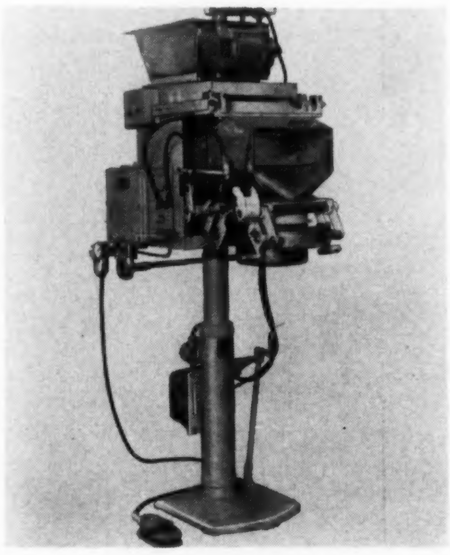
Potentiometer

Miniature Size

Series T single-turn potentiometer has a ⅞ in. dia. Standard resistance range extends from 650 ohms to 100,000 ohms ±5% with ±2% available. Standard linearity tolerance is ±0.50%; ±0.20% available. Power rating is 1.2 w. at 40C., derating to 0 at an elevated 125C.

Price: $35. Delivery: immediate.

Helipot Division of Beckman Instruments, Inc., Fullerton, Calif. (P.W., 3/2/59)



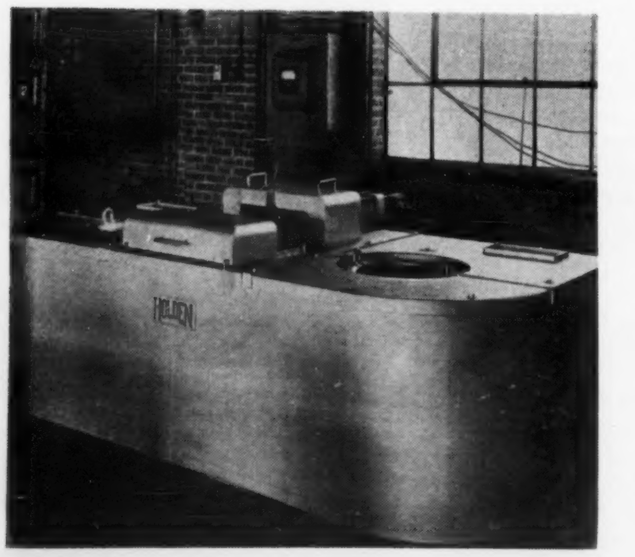
Bag Packer

Handles Bulk Materials

Packer-Ette bag packer is especially designed to improve packing speed of low-density products. Packer-Ette is a gross weigher (scale and bagholder combined) which fills and weighs up to eight 100-lb. bags per min. at an accuracy within ±2½ oz. It is easily adjusted for varying bag sizes in a range of 25 to 150-lb. bags. It is automatic in weighing operation and has an enlarged supply hopper and feeder tray.

Price: $2,810 (standard). Delivery: within 2 to 3 wk.

Bemis Bro. Bag Co., Packaging Service Dept., 305 27th Ave., N. E., Minneapolis 18, Minn. (P.W., 3/2/59)



Salt Bath Furnace

For Tool Room Use

Type 230 combination 3-in-1 furnace is designed for limited quantity production of high-speed tool steels. It consists of **(1)** preheat gas-fired alloy pot for hardening and preheating any type high speed steel, **(2)** 2-electrode ceramic pot for treating air-hardening steels, **(3)** gas-fired steel pot for quenching.

Price: $4,690. Delivery: 4 to 6 wk.

A. F. Holden Co., Detroit, Mich. (P.W., 3/2/59)

Safety Bench Can

Cleans Metal Parts

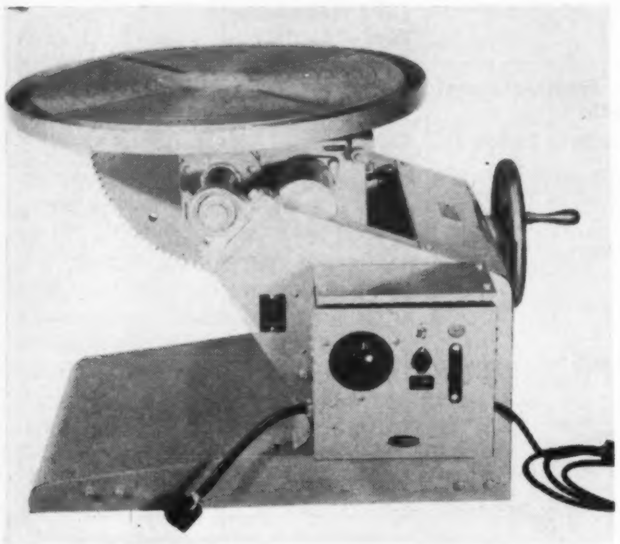
Safety bench can B-602 is used for cleaning small metal parts in gasoline. It has a spring-actuated dasher which is perforated and flush with the top of the can, to reduce evaporation losses and minimize explosive vapors. Entire can is constructed of heavy-gage coated sheet steel.

Price: $9.30. Delivery: immediate.

Eagle Mfg. Co., 3040 Charles St., Wellsburg, W. Va. (P.W., 3/2/59)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



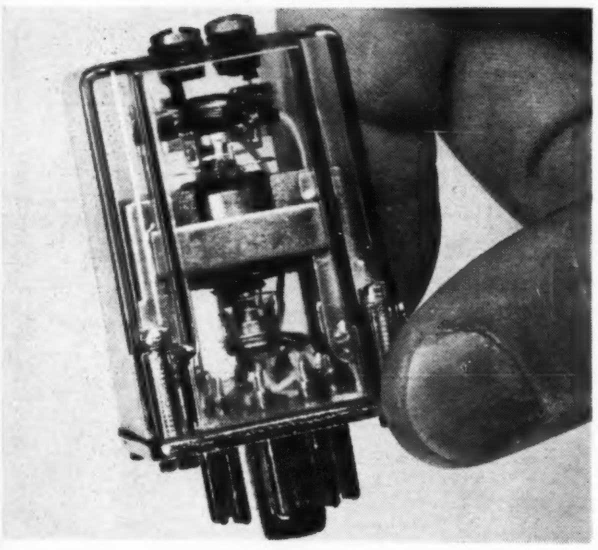
Turntable Positioner

Reversible Rotation

Turntable welding positioner load capacity is 500 lb. at center of gravity 6 in. above the table surface and 3 in. off center of rotation. Infinite speed range is from ¼ to 5 rpm. Heavy-duty 110 v. dc. shunt-type motor is used in conjunction with a two-speed reduction gear box.

Price: $948 fob. Troy, Ohio. Delivery: immediate.

Miami Specialties Co., Trade Rd., Troy, Ohio. (P.W., 3/2/59)



Meter Relay

Adjustable Contacts

Model 137 VHS (very high sensitivity) non-indicating meter-relay is small in size. Adjustable contacts permit easy changing of either control points or calibration. It can trigger control action on signal changes as small as 0.2-microamp., or 0.1-milliv. dc.

Price: from $33. Delivery: immediate.

Assembly Products, Inc., Chesterland, Ohio. (P.W., 3/2/59)

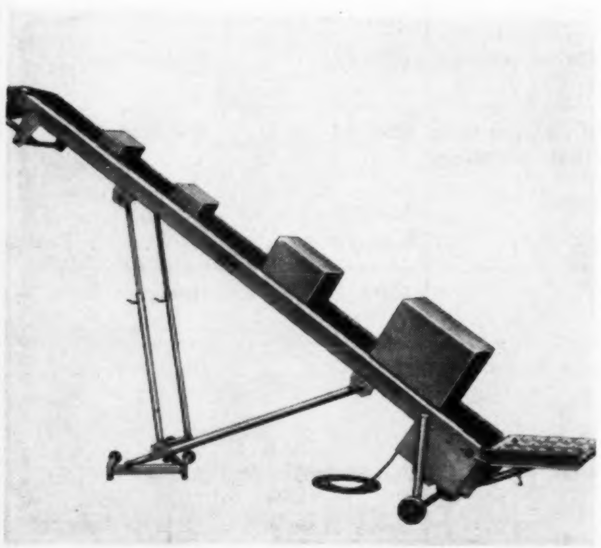
Vise

Back Jaw Moves

Industrial vise has the strength of steel with one-third the weight. Back jaw moves along a dovetail track, always keeping the strain over the workbench instead of overhanging the bench. Seven swivel or stationary types are offered with jaws widths of 3 to 6 in.; openings 4½ to 9½ in.

Price: from $24 fob. N. Y. Delivery: immediate.

Industrex, Inc., 6001 Northern Blvd., Woodside 77, N. Y. (P.W., 3/2/59)



Belt Booster

Belts Travel 45 Fpm

Streamliner Jr. is a portable belt booster. It rolls into position for horizontal, low incline, or 30 deg. incline use. Rubber cushioned stabilizer automatically anchors conveyor in place. 11- and 13-ft. length models have 12-in. wide, 3-ply belts to transfer all type packages.

Price: from $450. Delivery: 10 days to 2 wk.

Harry J. Ferguson Co., West Ave., Jenkintown, Pa. (P.W., 3/2/59)

This Week's

Product Perspective

MARCH 2-8

The fast-moving growth of reinforced plastics continues without letup. Last year's output of 185 million lb. was 10% ahead of 1957. Looking into this year's prospects, output should reach 213 million lb.—a 15% increase over 1958.

The material is usurping the position of conventional materials in a number of applications—trucks, trains, boats, wall panels, machine housings, production dies, aircraft, missiles, and appliances.

Biggest user is boats. Last year 72,000 fiber glass reinforced plastics boats were built. By the mid 60's, half the small boats built will go to sea in fiber glass hulls. Larger boats, too, are going in for fiber glass. In fact all the Navy's new boats, 50 ft. or less in length, will be made of the material.

Polyesters are still, by far, the dominant plastic resin. But acrylics are growing in sheeting and paneling applications. And fiber glass is still the leading reinforcement.

• • •

Part of this impressive growth comes from natural causes—the growing acceptance of a new material. **But a large share of that growth has come through the efforts of the raw materials producers, fabricators, and users.**

You could see trends in applications and development work shaping up at a recent meeting of the Reinforced Plastics Division, Society of the Plastics Industry.

Reinforced plastics are making a big play for high-temperature applications. These are some of the things happening:

• **In missiles high-temperature resistant reinforced plastics go into nose cones, motor casings, and thermal shielding.** Reinforced plastics are ideal for **nose cones** because of their ability to ablate; surface material vaporizes while the interior of the nose cone remains relatively cool.

Most solid propellant missiles have reinforced plastics casings. They serve as the mold for the propellant and as a pressure vessel to contain the force generated by the burning propellant.

Unlike the first two applications—nose cones and motor casings—**thermal shielding must function satisfactorily over and over again.** First, the engine—shielding is a component part—must undergo a series of reliability tests. Then there's more testing of the engine as a part of an integrated system. Reinforced plastics work well in this application because of their light weight and ability to maintain structural integrity under high temperatures.

Materials used for the above applications have generally been phenolic resins combined with asbestos fibers.

• **Pressurized containers for airborne electronic equipment are another high-temperature application.** One such container is built by winding glass filaments around a form shaped like the container. The filaments are then impregnated with resin and cured. The whole structure is designed to withstand 500F., act as a heat insulator and heat exchanger. It's significant, too, that filament winding techniques are now being tried on rectangular shapes as well as spherical and cylindrical shapes.

• • •

Plastic dies look promising for medium production runs—up to 50,000 pieces. New dies for sheet metal forming have high-temperature resistant epoxy resins reinforced with metal fibers like aluminum, steel, copper, molybdenum, or combinations of such materials with fiber glass. Savings in die costs have been substantial.

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The ability of epoxy resins to mix with substantial amounts of metallic fillers creates a huge number of materials with an almost unlimited variety of properties. Metallic alloys are not formed but metals can be combined that are impossible to combine by metallurgical techniques. **Bearings and radiation shields are two of the promising applications.**

You can get almost any combination of low-friction materials like graphite, molybdenum disulfide, lead, copper, zinc, tin in an epoxy binder. Component materials can be selected to achieve just the balance wanted with regard to surface friction, density, specific heat. Also bearings can be made that yield fluid films. In other words, **it's possible to tailor-make bearings.**

Powdered-lead filled epoxy makes a good material for radiation shielding. Chief virtue is the material's ability to conform to complex shapes. Also it can be poured and cured in place—something that can't be done with sheet lead.

Dictating Machines Do Differ—So Do Their Prices—As This Buyers Guide Shows

Company	Identification	Description	Price	How Distributed
American Dictating Machine Co., 51 W. 45th St., N. Y. 36, N. Y.	ADM Rex-Recorder TN-3	Dictating-Transcribing. Non-breakable disc; magnetic recording principle; roll-tape tear-off indexing system.	$295 (dictating or transcribing unit) $330 (combination)	Dealers
Amplifier Corp. of America, 398 Broadway, N. Y. 13, N. Y.	Model 535-B	Records and plays-back any message to 60 min. in length. Single-channel. Old recordings automatically erased. Playing time 30 min.	$395	Direct from factory
	Model 537-E	Triple channel. Playing time 3¾ min. Frequency response 50 to 15,000 cy.	$895	
	VU Magnemite, Model 610 E-V	Self-contained battery-operated, spring-motor with built-in multi-purpose VU Meter. Records at 15 in. per sec. Frequency response 50 to 15,000 cy. Playing time 11¼ min.	$425	
	Model 610-DV	Records at 7½ in. per sec. Frequency response 50 to 7,500 cy. Playing time 22½ min.	$385	
	Model 610-CV	Records at 3¾ in. per sec. Frequency response 50 to 5,000 cy. Playing time 45 min. per track.	$345	
	Model 610-AV	Records at 15/16 in. per sec. Frequency response 300 to 2,500 cy. Playing time 3 hr. per track.	$365	
	Model 610-SD	Magnemite portable, battery-operated, spring-motor tape recorder. Records at 7½ in. per sec. Frequency response 50 to 7,500 cy. Playing time 22½ min. Single track.	$295	
	Model 610-TD	Frequency response 50 to 7,500 cy. Playing time 22½ min. per track (dual track).	$275	
	Model 610-C	Frequency response 50 to 5,000 cy. Playing time 45 min. per track (dual track).	$255	
	Model 610-A	Frequency response 300 to 2,500 cy. Playing time 3 hr. per track (dual track).	$275	
	Model 610-B	Frequency response 100 to 3,000 cy. Playing time 1½ hr. per track (dual track).	$225	
	Model 610-E	Frequency response 50 to 15,000 cy. Playing time 11¼ min. Single track.	$395	
Comptometer Corp., 1735 North Paulina St., Chicago 22, Ill.	Commander Model D20-G	Automatic, remote controlled, magnetic machine. Erasability, reusability, flexibility. Hand-controlled mike (power microphone).	$399.50	Direct, dealership
	Companion Model D20-T	Full volume-control, speed control. Transcription machine. Foot switch, ear button set and cord, erase bar, lead-in cord.	$360	
	Coronet	Lightweight, portable, battery operated machine. Transistorized, power control microphone. Reusable belts; built-in erase bar.	$336	
DeJur-Amsco Co., 45-01 Northern Blvd., Long Island City 1, N. Y.	Stenorette	Portable combination dictating and transcribing machine. Push-button control. Error-free, erasable, reusable hi-fi magnetic tape.	$179.50	Distributors, dealers
Dictaphone Corp., 711 3rd Ave., N. Y. 17, N. Y.	Time-Master	Transistorized, automatic machine. Endless Dictabelt of plastic for permanent 15-min. non-erasable records.	$385	Direct from factory
	Dictet Recorder	Portable, battery-powered. Start-stop control on hand microphone. Size of a movie camera.	$294	
Thomas A. Edison, Inc., West Orange, N. J.	Voice-writer	Portable, volume-controlled machine. Operates from car cigarette lighter. Audiomatic scanner; speed control.	$350	Distributors, factory offices
Graflex, Inc., Rochester 8, N. Y.	Model 758	Hi-Fi two speed recorder	$249.95	By Graflex, Inc., through dealers
	Model 758T	Hi-Fi two speed recorder and radio combination	$284.45	
	Model 758S	Hi-Fi Stereophonic recorder (staggered head).	$284.45	
	Model 758L	Hi-Fi Stereophonic recorder (inline head).	$284.45	
Gray Mfg. Co., Hartford, Conn.	Key-Noter	Lightweight, one-key, transistorized disc dictating instrument. Full range voice fidelity. Use discs up to 50 times by resurfacing. Converts from non-index to index quickly.	$259.50 $289.50 (with automatic precision indexing)	Distributors
	Audograph 5A Transcriber	Portable, true-fidelity sound, tone and volume-controlled machine. Full control microphone. 4-way visual-control. 3-sized discs.	$359.50	
	Phonaudograph 3B	Phone-dictation system-pick up phone, push button, and talk. Doubles as an intercom. Automatic push button indexing.	$550	
	Phonaudograph 5	Electronic brain; total remote control; 3 sizes of discs.	$1,285	
Magnetic Recording Industries, 126 Fifth Ave., N. Y. 11, N. Y.	Voice-Master Challenger, Streamliner, Companion	Fully automatic, magnetic recording and dictating machines.	from $150 to $250	Distributors, direct from factory
Miles Reproducer Co., Inc., 812 Broadway, N. Y. 3, N. Y.	Walkie-Recordall Model CCB	Briefcase-Conference recorder with built-in microphone, playback, transcribing system, and power.	$465.75	Direct from factory
Mohawk Business Machines Corp., 944 Halsey St., Brooklyn 33, N. Y.	Midgetape Model 300	Battery operated, pocket tape recorder. Weighs 3 lb.; has 3 controls. Completely transistorized.	$249.50	Distributors, direct sales organizations
North American Philips Co., Inc., 230 Duffy Ave., Hicksville, N. Y.	Norelco "35"	Five controls; 2-sec. magazine loading; clear voice reproduction.	$179.50	Dealers
Pacific Instrument Corp., 336 S. La Brea Ave., Los Angeles, Calif.	Stenocord "400"	Dictating-transcribing machine gives remote-control operation without touching machine.	$289.50	Distributors
Peirce Dictation Systems, 5900 N. Northwest Hwy., Chicago 31, Ill.	President 565ES	Electronic dictating machine, small, light weight. Built-in speaker with selector switch for group or private playback. Magnetic-belt dictation. Flash-back review.	$385.84	Distributors
	President 570E	Electronic transcribing machine.	$383.98	
	President 560E	Combination electronic dictating and transcribing machine.	$401.74	
Scribe Internationale, 10005 Franklin St., Franklin Park, Ill.	Model SI 50	Magnetic tape combination recorder-transcriber.	$300	Dealers
Sound-Scriber Corp., 6 Middletown Ave., North Haven, Conn.	Tycoon Recorder Model 56RH	Uses plastic disc and turntable recording principle. Two-arm recording.	$374.53	Distributors, branch office organization
	Model 200	Electronic, portable self-contained instrument.	$292.88	
	Tycoon Model 56RCHF	Combination dictating and transcribing machine. Quick-review hand microphone.	$422.00	

Management of British Companies Bewildered As Court Starts Overturning Price Pacts

London—The "ulcer-free" competition of British industry—long characterized by agreements on prices, distribution, order of bidding, and just about everything else—suddenly has become a management dilemma.

Cause of the hard thinking which has British industrial executives pacing the office is a recent decision of the new Restrictive Practices Court. In its first ruling on a pricing pact, the court overturned a cotton yarn spinners minimum agreement on grounds that it violated the public interest (P.W., Feb. 2, '59, p. 1).

Agreements among competitors have been an accepted part of the British economic scene since the 1930's. Just how widespread has been the practice is indicated by the fact that 2,100 such agreements have been listed since registration was made obligatory under the 1956 Restrictive Practices Act.

Industries with major pricing agreements, for example, include flour milling, cement, carpets, electrical transformers, water boilers, paper, rope and string, and nuts and bolts.

Such agreements once were not only an accepted practice but perfectly legal. Now the Restrictive Practices Court is required to condemn all agreements between two or more "rival" manufacturers unless their agreements can be proven to be beneficial to public interest.

British industries hoped, especially in the non-consumer segments, the court would take a "liberal" view of public interest. It was believed that consumer goods manufacturers would bare the brunt of any crackdown.

But in the yarn spinners decision, the court indicated it will be tough not only in its judgment on the specific defense of an agreement but also when the "public interest" argument touches on such a politically sensitive area as unemployment.

The yarn spinners had argued they needed a pricing agreement to prevent even heavier unemployment that has already hit the industry. The court said flatly, in effect, that such a declining industry, with under-utilized capacity, must expect some reduction in force.

The decision prompted some hurried scanning of agreements in general. Of the 2,100 registered, the court had set 140 for a hearing; but of these 95 already have been abandoned or at least modified.

A lot of legal thinking is going into sophisticated and complex arguments in defense of the rest. One wry observation is that a principal by-product of the court will be to raise the practice of corporation law to the status attained in the United States.

Mostly depression-born babies of the 1930's, the agreements are defended largely on two counts: **1.** They permit British industry to concentrate on quality, its specialty; and **2.** A stabilized home market helps export efforts, especially export pricing.

Opponents contend the agreement scheme maintains artificially high prices which are unfair to the consumer and in some cases are directly responsible for higher export prices.

It's early yet to assess just what the total effect of the upheaval will be. Most organizations with agreements contend they haven't in fact kept prices high, so that the price effect will be minor. The fact that there will be lower prices in some lines, however, is indicated by yarn price drops since the decision against the spinners.

One of the more interesting side effects is likely to be a speed-up in the unification of some company groups. More than in the United States, British organizations tend to be clusters of companies, theoretically independent, joined only by a central board of directors. A factor encouraging this form of organization has been a common form of trade agreement—the taking of turns in submitting low bids. It has been considered better to have five companies standing in line rather than one, even though one large firm might make for more efficiency.

Another "if" in assessing the future is the extent to which outlawed agreements may be replaced by unwritten "price leadership" known to exist to some extent in some fields, especially oil, rubber, and chemical industries. Here a leader is selected verbally and whatever he does with his prices, the others follow.

Restrictive practices court officials contend such arrangements are almost impossible to deal with and ironically describe them as "very unusual coincidences."

Oil Company Extends Material Management

San Francisco—Standard Oil Co. of California recently extended the concept of integrated materials management to all its operating companies in the Western Hemisphere.

Speaking from prior experience, Standard purchasing officials believe the departmental reorganizations should increase company earnings substantially.

Although the parent company (Standard Oil of California, Western Operations) adopted the materials management concept over two decades ago, it wasn't until 1956 that it decided to survey supply cycle activities of non-petroleum materials. The goal was to see whether it would be worthwhile to centralize purchasing activities in operating companies where purchases exceed $1 million a year.

The survey convinced top management that more value could be received from purchases by giving department heads authority over materials "from birth to death." For the next year and a half, purchase and stores staffers visited operating companies to set up a uniform plan of organization, and then assumed responsibility for over-all coordination.

Under this system, each purchase and stores manager reports directly to the president or financial officer of his operating company. He is responsible for the entire supply cycle, which covers six functions related to materials:

1. Acquisition, 2. storing, 3. issuing, 4. receiving back from their original use, 5. re-claiming for re-use, 6. scrapping.

In some of the operating companies, the purchase and stores manager also is in charge of transportation. In others this responsibility is handled separately by a traffic department.

Previously functions such as warehousing and custody of materials were completely in the hands of operating management. This resulted in a tendency to overstock for current needs and in unnecessary duplication of stocks. Another difficulty was loose control of surplus materials, which rested with scattered local management.

Now, the purchasing man in control of stores can plan economic ordering levels. He is familiar with disbursement data and is a member of management committees where he gets advance information.

By proper control of inventories, value analysis, substantial reclamation programs, and segregation of scrap, he can see that each phase of the supply cycle "earns" money for the company.

This concept has also permitted Standard to institute a plan for intra company use of excess and surplus materials. Lists of materials subject to transfer are distributed to all operating companies along with a catalog of spare parts interchangeable among operating companies. The objective of this program is to cut inventories.

Both A. R. Eimer, manager of the corporate purchase and stores department, and A. C. Wilander, assistant to the manager, agree that earnings resulting from the new program already have exceeded expectations.

Purchasing Week Definitions

Alloying Agents' Effect on Steel

Addition of certain elements to iron makes steel alloys with particular properties.

Carbon—Hardens iron by forming iron carbide after heat treatment. Strength builds up to 0.85% carbon content. Beyond that point steel becomes increasingly brittle. Basic iron alloying agent.

Chromium—Provides deep hardening and high wear resistance. Toughens steel, increases strength, impact resistance. But machinability suffers.

Cobalt—Keeps hardness at red heat. Increases hardness and tenacity, but too much decreases impact resistance.

Lead—Small amount permits easy machining.

Manganese—Minute amounts increase hardness, wear resistance, and strength. Small amounts permit faster hardening at greater depths. High content work hardens.

Nickel—Increases hardness, strength, ductility, and impact resistance. Decreases machinability. Large amounts let alloy resist high-temperature oxidation.

Tungsten—Lets alloy retain carbide hardness at high temperatures. Increases strength and wear resistance. It has wider hardening range and deeper hardening.

Vanadium—Removes oxygen. Toughens, strengthens steel. **(P.W., 3/2/59)**

In the World of Sales

Jack B. Laramy has been advanced to manager of sales, **Worthington Corp.'s Harrison, N. J. Division.** The past three years he served as assistant manager of the marketing division and eastern regional sales manager.

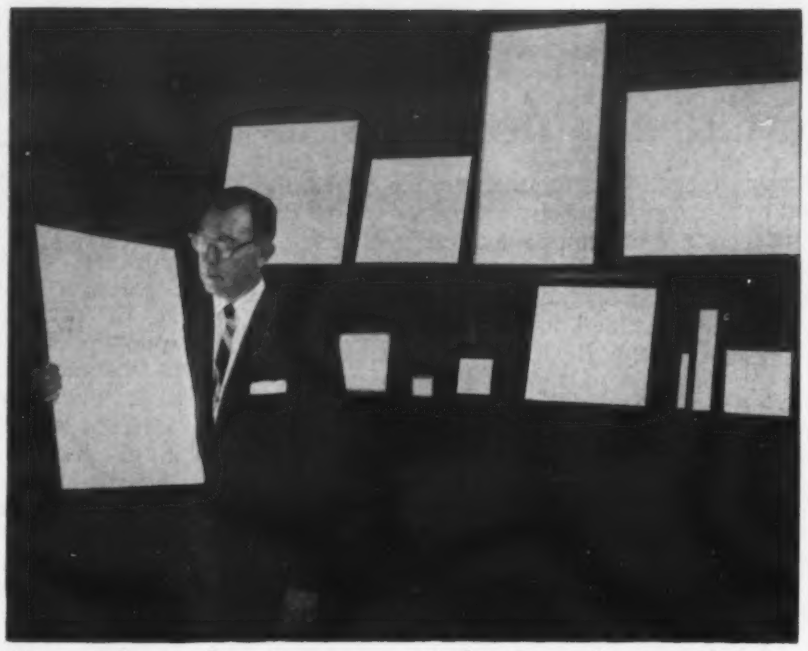
Merle F. Koblish has been made sales manager for basic industrial chemicals, **Allied Chemical's General Chemical Division,** New York. He succeeds **Arthur E, Foell** who retired Dec. 31 after 41 years with the firm, serving as manager of sales the last 15.

Warren H. Tarrant, formerly sales office manager, has been promoted to assistant sales manager for **Stanley-Judd of Wallingford, Conn., Division of the Stanley Works,** New Britain, Conn.

Lester R. Johnson has taken the post of sales manager, **Aircraft Division, H & B Machine Co., Inc.,** Los Angeles. He had been assistant director of the Aircraft Division, World Tool & Engineering Co., Minneapolis.

W. S. Bosworth has been named assistant manager of trade sales by **H. K. Porter, Inc.,** Somerville, Mass. He has been with the firm's production and sales departments for 13 years.

Allan C. Smith has been promoted to division sales manager, special products, for the **Firestone Steel Products Co.,** Akron.



New Electroluminescent Light Panels Available

Bloomfield, N. J.—A broad line of electroluminescent light bulbs are shown by Carl F. Jensen, Marketing Manager, Rayescent Lamp Department, Westinghouse Lamp Division. Panels of Rayescent lamps use no filaments, gas, or metallic vapors. They produce practically no heat, consume a negligible amount of electric current, and produce a completely diffused light with no special fixtures or baffles required.

Rayescent lamps come in blue, green, and yellow colors, and are available in sizes ranging from 2x2 in. to 24x24 in. Prices for 12x12 in. and larger are about $30 per sq. ft., while below 12x12 in. range from about 30¢ to $1 per sq. in., depending upon application requirements. Life is at least 5,000 hr., depending upon application.

Sun Oil Refinery Adds Sulfur Recovery Unit

Toledo, Ohio—Sun Oil Co.'s refinery here has added a recovery plant to its operation. The new equipment, installed at a cost of $150,000 converts hydrogen sulfide gas from refining processes to sulfur dioxide, then to elemental sulfide.

Recovery rate is estimated at 12½ long tons of sulfur a day. The sulfur is stored in a molten state and shipped to customers in special tank trucks.

Combustion and reaction heat of the recovery unit is converted to steam and is used to supplement the normal refinery supply.

Atlantic Steel Co. Strike Settled after 103 Days

Atlanta—Atlantic Steel Co. has settled its labor difficulties and expects to get back into full production by mid-March following a 103-day walkout.

Atlantic managed to maintain one third of its production operations throughout the walkout. It was half-way back to normal by Feb. 20. The contract dispute, affecting 1,300 members of the United Steelworkers, began last October.

Parsons Paper Bought By Nat'l Vulcanized Fibre

Wilmington, Del. — National Vulcanized Fibre Co. will gain diversification and a source of raw materials for laminated products with the purchase of Parsons Paper Co., of Holyoke, Mass.

National now purchases raw materials for laminated products from an outside concern. Parsons will be a supplier of the raw material and give National the know-how on paper products.

No changes in Parsons' personnel, products or sales policies are contemplated. Parsons will become Parsons Paper Division of National Vulcanized Fibre Co.

PURCHASING WEEK

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This Week's

Purchasing Perspective

MARCH 2-8

(*Continued from page* 1)
a year ago) hasn't lost steam and has, in fact, picked up momentum.

Spokesmen for National Small Shipments Conference charge that carriers are finding it increasingly difficult to increase rates on volume shipments. Examples cited of inclination to hand a higher bill to the small (L.C.L.) shipper instead include the Chicago Suburban Motor Carriers recent 10% boost on shipments under 1,000 lb. and Southern Motor Carriers' 2% hike on less-than-truckload-lots. Other similar increases in the works include Railway Express' request for another 3.5% atop the 15% allowed by the I.C.C. last fall, plus the Post Office demand for higher parcel post rates.

• • •

On the other hand, truckers contend that most shippers, in the big volume category at least, are reasonably safe from increases. American Trucking Association moved fast to deny a report which last week rumored another round of rate boosts on most goods could be expected "soon." Complaints of A.T.A. President J. Robert Cooper of Detroit about wage increases, possible gasoline tax increases, and other cost factors set off the report.

• • •

The Brotherhood of Locomotive Engineers has given railroads a firm indication of what to expect in the way of contract demands for the November contract bargaining deadlines. Engineers want a 12% increase in wages and benefits, plus incorporation of current cost-of-living allowances into basic rates.

• • •

Steel negotiations will provide the first big bargaining test of labor's drive for shorter work week. But union officials aren't betting a six or seven hour day as such will come out of this summer's steel bargaining. The talk at the A.F.L.-C.I.O. conference in San Juan last week was a compromise of longer weekends, holidays tied to the weekend for three-day periods, plus some other innovations.

None of the union officials anticipates a quick sweep of shorter hours. Their task goes beyond even that of selling the 35-hr. week to a reluctant Congress and industry. Says the Oil Workers' Jack Knight: "The problem is to get the union member behind you. The eight hour day isn't any physical hardship. We've got to show him his job is threatened."

Union leaders may experience major difficulty in whipping up congressional enthusiasm for their goal of shorter hours by legislation. Only major sentiment among congressmen now for wage-hour changes is concentrated on minimum wages where many are agreeable to bringing more workers under a broader minimum wage umbrella.

Cheaper Cans? Who Gets Them? Canners Wonder; Few Admit Getting Price Benefits

(*Continued from page* 1)
about so far had drifted down to him.

"The so-called price cuts in cans certainly have not been reflected in anything we buy," he told a PURCHASING WEEK reporter.

A spokesman for a big can-buying company in Chicago accused the can companies of trying to con can buyers into hedge-buying with lower prices. Some companies, he said, "wanted everybody to hedge-buy when they first reduced prices; but when competition forced everybody to meet those prices, there wasn't any incentive. Besides, it takes too much room to store cans anyway."

Current price-cutting on cans is due to continue for some time, a number of can buyers concluded optimistically. They admitted some can users who had been planning to manufacture their own containers might thus be encouraged to change their minds. They also cited the aluminum can as a big factor: "It's almost here, and you may be sure the aluminum companies are courting not only the can-making companies but also the user."

But the new pricing schedules did not deter Libby, McNeill & Libby from going ahead with plans to open a can-making facility at a new Chicago factory scheduled for completion early in 1960. A company spokesman indicated that price effects resulting so far from the "Big Three" (Canco, Continental, and National) were not sufficient to shift Libby's plans in any way.

Another industry source agreed that the trend toward can-making by canners is growing and estimated that about 14% of the cans used by the food industry are made by the users themselves. The percentage probably will increase, he added, with the spread of aluminum can availability.

Summing it up another way, several canners in Chicago expressed dissatisfaction with the current "throat-cutting" can market. It offers "no stability in prices at all," they groaned.

Shorter Work Week Spurred by Productivity

Businessmen, Politicians, Union Leaders Watch As Output-Per-Man Doubles

(*Continued from page* 1)
unemployment has shown little reduction. It undoubtedly will continue to pose a tough problem into next year at least. Some A.F.L.-C.I.O. economists fear, moreover, that the country won't get back to so-called full employment for many years because of productivity gains, the jobless rate remaining high right into the next recession.

Because of its wide impact, business, labor and government officials are keeping close watch on productivity rates. By dividing the Federal Reserve Board's Index of Industrial Production by man-hours worked, productivity has jumped some 7 to 8% (annual rate) since the business upturn started last May. This is about double the annual postwar average productivity gain of some 3 to 4%.

Increase in Profits

For business, this spells first of all a big increase in profits. Commerce Department figures soon to be released will show that corporate profits rocketed from a rate of $32 billion in the second quarter of 1958 to approximately a $44 billion rate in the final quarter—an increase of some 38%. And government fiscal experts now look for profits to be at record rates all during 1959.

This is the payoff for management's decision to invest heavily in capital goods and new plants during the prosperous 1955-57 years. Business now is able to turn out more goods more efficiently and with fewer workers.

Lower Productivity Gain

Productivity is expected to show a lower rate of gain after the middle of 1959, however. It normally shoots up quickly following a recession and then begins to slacken as production schedules get jammed, hours of work increases and more workers have to be added.

But it is labor's fear that not enough workers will be added to absorb the present knot of unemployment and still take care of the increase in the labor force due to population gains.

For 1959, anywhere from 750,000 to one million new workers are expected to enter the labor force. They will be looking for jobs along with the 4.7 million persons unemployed in January of this year. And January's unemployment was some 225,000 higher than a year previously.

Calls for 35-Hr Week

For this reason, A.F.L.-C.I.O. chief George Meany has sounded the call for a 35-hr work week. It's his view that work can be spread around among more people if there is a cutback in hours.

Back of this decision is a deep-seated fear among many labor economists that a "major technological breakthrough" may have been scored in recent years by the heavy investment in automation techniques, with the result that more workers will be permanently put out of jobs.

The only way for the country to get back to full employment, according to this view, is for a decisive change in national economic policy to speed up the rate of business growth.

And it's here that the aims of labor dovetails perfectly with those Democrats who have been urging more positive action for the government to jog the economy into a speedier buildup.

However President Eisenhower is opposed to any bigger spending programs as indispensable to his fight against inflation. He indicates he is willing to accept something less than full employment if this is necessary to check rising prices. He said at his last press conference he sees no need to extend temporary unemployment assistance programs now that business is increasing.

This gives Democrats a ready-made political issue to turn against the Administration. They can charge that business is reaping profits at the expense of wage earners and unemployed workers alike.

The issue also will have its embarrassing aspects for business leaders who have been blaming inflation primarily as stemming from higher wage rates. With unemployment down and profits rising, they may be forced on the defensive to explain any future price rises, especially if prices start going up again later this year as most experts predict.

Finally, the whole question will play a big part in upcoming wage negotiations this year. Labor is certain to press for higher wages on the basis that management can well afford them now.

35-Hr. Goal Set by Labor Council; Followed by Guaranteed Wages

(*Continued from page* 1)
demand at the meetings of the federation's ruling 29-member executive council whose members run some of the nation's biggest unions. Throughout the ten days of council sessions which ended here last week, they spelled out what they want and the strategy on how to go for it. Said Meany: "This is the time. Any way we can get it."

Meany's sense of urgency was reflected across the board by the other labor leaders. They want the shorter work week to reduce unemployment and to share the fewer jobs left since the 1958 recession (P.W., Feb. 23, p. 1.)

Fearing a steady rise in automation employment (where the machine works instead of the man), union leaders want to slow down the effects by reducing production time of workers so more of them will stay on the payroll.

The shorter work week demand is expected to show up in the steel industry's 1959 spring negotiations, running about concurrently with the rubber industry's bargaining. It will appear, too, outside the big industries in the smaller construction negotiations, machinists, and similar industrial groups.

A.F.L.-C.I.O. legislative lobbyists will be busy in Washington at the same time, trying to follow up the executive council's special resolution which said: "Congress should take immediate steps to amend the Fair Labor Standard Act to provide for a 35-hr. week and a seven hour day."

The fight for 35 hours will be waged on two fronts:

- The legislative approach was plugged by such key leaders as Walter Reuther of the United Auto Workers, O. A. "Jack" Knight of the Oil, Chemical, and Atomic Workers, and David Dubinsky of the International Ladies Garment Workers Union. Reuther tried and failed in the 1958 negotiations to win a 32-hr. week and his current contracts run for three years. Knight also is pessimistic about the negotiation route in industry. Dubinsky's union for the most part already has the 35-hr. week but wants it written into law to "prevent the run-away shop."
- Negotiations will be emphasized in industries where the shorter work week already has taken hold and the unions don't want to wait for legislation. Joseph Bierne's communications workers have a 37½-hr. week for telephone office workers and will be out to cut the 40-hr. week for linemen and other outside employees. The Brewery Workers, hit by heavy unemployment, already have a 30-hr. low in some plants but want to push it still further.

State Legislatures Wrestling with Problem Of Streamlining Public Procurement Policies

California Leading Move to Allow Public Agencies to Purchase At State Prices; Centralized Buying Growing Fast in Popularity

(*Continued from page* 1)
competitive bid law is stringent enough.

Arizona: A state senate bill proposes a central purchasing agent to control all state office or business supplies. Governors have urged passage of the measure in the interest of efficiency and economy in previous years but it has always been scuttled politically and this year is expected to be no exception.

Alaska: Transition from territorial to state status has affected governmental purchasing. An executive branch reorganization bill is expected to be passed and signed by the governor this month, paving the way for remodelling of present buying operations.

To Create 12 Departments

The bill will create about 12 state departments, including a Department of Administration. Under this department will be a procurement section that will handle purchasing for all the government from a central office. In addition, procedures will be laid out to allow individual agencies to purchase some items directly.

Colorado: A proposal to prohibit purchase of printing outside of Colorado and to grant a 5% discount to in-state merchants has created considerable controversy. Opponents feel that adjoining states may adopt similar measures to the detriment of Colorado.

Delaware: The legislature is considering a bill to create a state purchasing division responsible for centralized purchasing for state agencies. The bill, being pushed by Gov. J. Caleb Boggs, would establish a State Department of Finance to which the purchasing division would report.

Florida: Gov. Leroy Collins, spurred by a current "scandal" involving state purchases of printing, has stepped up his campaign for a broad central purchasing system in Florida. He feels outcome of the probe into state printing practices will draw enough support in the legislature to get his program adopted.

Georgia: A sweeping "honesty bill," aimed squarely at correcting purchasing irregularities of recent years, is the most significant piece of legislation passed by the Georgia legislature this session. The bill is a 25-part measure making it a felony for public officials to receive considerations from any source that might influence their handling of the state's business.

Also, the man on the other end of the kickback is held responsible. Promising, offering, or giving money or other gratuities to any state official to influence him is forbidden. Another section prohibits any state official or employee from doing business with the state.

Idaho: A Senate investigating committee is inquiring into alleged irregularities in the offices of the state purchasing agent, along with several other agencies such as the Fish and Game Commission and the Land Department. A resolution is now before the legislature to form an interim committee of both houses to keep the investigation going.

Illinois: Purchasing practices of the State Welfare Department are under fire. Following the disclosure that second-hand bedding was sold to a state hospital and state school, a resolution was submitted to the house Executive Committee to set up a special committee to investigate the situation.

Minnesota: The House Education Committee has approved a bill allowing school boards to make purchases up to $2,000 without taking bids. The former limit was $1,000.

Montana: The controller's office, which includes a state purchasing department, was one of a number of state appointive and elective offices studied by a state house committee of the current legislature. The committee recommended, among other procedural changes, that the State Board of Examiners be relieved of passing on requisitions for state purchases and that the controller's office take over this duty. The committee suggested that the Board of Examiners refrain from over-ruling purchasing department decisions "without extreme caution and without having completely investigated the merits" of claims.

In-State Preference

Nevada: A bill has been introduced in the Assembly which would permit the State Purchasing Department to let contracts for supplies and equipment to other than the lowest bidder. The measure would require the purchasing director to give preference to bids coming from taxpaying Nevada concerns.

Another bill would require that construction contracts be awarded to Nevada contractors who have paid taxes for two years if their bid is not more than 5% over the lowest bid.

New York: The state purchasing department is fighting a measure which would make it mandatory that all state printed matter have an Allied Printing Trade Union label. The buyers contend this requirement would up printing costs.

Oklahoma: The state administration is expected to introduce a bill soon to create a central purchasing agency. Under the legislation currently being drafted only two agencies would retain buying functions—the highway department and the budget and accounting department.

To Aid School Districts

Oregon: The legislature is considering a bill which would permit school districts the option of purchasing certain supplies through the state purchasing division. Under the bill, the state department would annually submit to school districts lists of supplies available for central purchasing.

Texas: William Burke, executive director of the State Board of Control (state purchasing agency) is protesting a 26% increase in the cost of police patrol cars. Since Texas has its own antitrust law, Attorney General Will Wilson has started an investigation of charges that "the Big Three car-makers got together and cut out the discounts."

Washington: Sen. Nat Washington has introduced a bill aimed at correcting shortcomings brought out in recent investigations of state purchasing practices (P.W., Jan. 12, p. 1).

The measure would require that, whenever possible, supplies be purchased in quantities to supply the needs of the state agency involved for at least three months. Any official dividing the purchase of supplies into amounts less than that required for competitive bidding would be subject to prosecution.

Wyoming: A bill passed last week by the legislature and now awaiting the governor's signature combines the duties of the state purchasing agent and the assistant budget officer into one job directly under the governor's office.

Raw Materials Imports Taxable

(*Continued from page* 1)
sales office within the state imposing the levy.

The import case involved Youngstown Sheet and Tube Co. and the U. S. Plywood Corp. Youngstown appealed the right of the State of Ohio to assess imported iron ore at its Youngstown, O., steel mill. U. S. Plywood questioned the right of the city of Alcoma, Wis., to assess imported lumber and veneers at the Alcoma plant.

Both firms appealed on grounds states do not have the right to tax imports. The argument: So long as a commodity was untouched, it was considered an import. The moment it moved into a company's manufacuring process, it became mingled with domestic commodities, indistinguishable and therefore subject to taxation.

The court ruled that both Youngstown iron ore and U. S. Plywood lumber and veneers had become part of the manufacturing process.

From the wording of the opinion, it would seem that other corporations using imported goods now conceivably could have their imported raw materials taxed by states and local governments — particularly the latter, who rely more heavily than states on the property tax.

The income tax case involved Northwestern States Portland Cement Co. of Mason City, Iowa, and Stockham Valves and Fittings, Inc., of Birmingham, Ala.

Northwestern questioned the right of the State of Minnesota to tax its net income in that state, where it maintains only a sales office in Minneapolis. Stockham filed to recover taxes it paid the State of Georgia for its income in that state, where it maintains a regional sales office in Atlanta.

Price Changes for P.A.'s

Copper — Increased demand has caused custom smelters to boost their copper prices ½¢ to 31¢ a lb. The demand increase had caused copper scrap to firm.

Silver—Handy & Harman Co. has boosted imported silver in New York by ¼¢ a lb. to 90⅝¢ a lb.

Lead Oxide — Reduced lead prices have caused lead oxide to drop ½¢ a lb. Litharge now is quoted at 12¾¢ a lb. for carlots with less carlots at 13¾¢ a lb. Dry red lead, 95%, is now 13¼ to 14¼¢ a lb., while orange mineral is now 15 3/5 to 16 3/5¢ a lb.

Rosewood Oil—A drop of 5¢ a lb. puts rosewood oil at $1.75 a lb.

Coaltar — Allied Chemical Corp. will raise crude coaltar 2¢ to 24¢ a gal., effective April 1.

Carpets—James Lee & Sons Co. will raise tags of its carpets by about 3½% as of March 14. Increased material and other costs are reported responsible.

Sodium Molybdate — Anhydrous grade sodium molybdate in drums is down 4¢ to 92¢ a lb.

Asphalt Roofing—An average 8% price increase (east of the Rockies) has been announced by major producers of asphalt roofing materials. Effective mid-March, the boost covers delivered prices for roll roofing, shingles, and saturated felt. New prices will restore levels prevailing in late 1957.

Carbide Drills — Price increases on solid cemented carbide drills, reamers, and end mills, ranging up to 10% on those ¼-in. in diameter and larger, have been announced by Super Tool Co. The hike is in line with the recent increase established by major carbide metal producers. It does not, however, apply to cutting tools tipped with the carbide metal.

Lauryl Bromide—A rise of 4¢ a lb. has been made in lauryl bromide prices. New 500-lb. drum price is 97¢ a lb. Higher can prices range from $1.09-$1.24 a lb. depending on volume.

Textiles—Man-made fibre and blend fabric prices have been upped 2½ to 5¢ a yd. by Burlington Men's Wear Fabrics Co. and Rhodiss-Pacific Mills, for fall lines.

Lead—A reduction of ½¢ a lb. was made in lead putting the price at 11¢ a lb.

Potassium Stannate — Drum prices of potassium stannate are up ½¢ a lb. to 78.9¢ a lb.

Sodium Stannate — Drum prices of sodium stannate are up 3/5¢ a lb. to 64.8¢ a lb.

Zinc—A cut of ½¢ a lb. puts zinc at 11¢ a lb. slow demand and increased amounts of cheaper foreign metal are responsible. Zinc dust also is off ½¢ a lb.

Tetraethyl Lead — Tetraethyl lead prices have been cut by two major producers. New price for motor mix is 60.2¢ a lb., while aviation mix is 66.1¢ a lb.

Agriculture Removes 8 Metals from Barter List

Washington—The Agriculture Department has removed eight strategic minerals from its barter-export list.

Barter quotas have already been filled for cadmium, metallurgical grade chromite, ferrochrome, acid grade fluorspar, commercial battery grade manganese, natural grade A battery quartz crystals, and ruthenium. Industrial diamonds previously had been removed from the list announced last November.

The department's barter program makes government-owned farm surpluses available to exporters in exchange for foreign strategic minerals which are deposited in federal stockpiles. These stockpiles are supplemental repositories for goods acquired under the farm support programs and are frozen off the market by law.

Chance Vought Buyers Attend 4-Month Course

Dallas, Texas—Every day is school day for Chance Vought Aircraft, Inc. purchasing personnel here. Fifty buyers are attending two-hour college-atmosphere classes at the main plant.

The four-month course was founded by B. A. Carlson, general purchasing agent and organized by H. J. Morris, supervisor of purchasing records and services.

To bring reality to the course, enrollees study case histories and work out solutions. Morris and 13 other men are lecturers.

Initial classes began in the fall and ended with final exams in mid-January. The spring course began Feb. 3.

F.T.C. Urged to Drop Charges Against 3-M

Washington — A Federal Trade Commission examiner has urged the agency to drop price fixing charges against Minnesota Mining & Mfg. Co. The F.T.C. complaint had been pending against Minnesota Mining for nearly a year.

The F.T.C. had contended that seven firms, all members of the Gummed Industries Association, Inc., set identical prices and selling terms for gummed paper. The original charge as it affected Minnesota Mining was against a subsidiary, Mid-States Paper Co., which was absorbed as a Minnesota Mining division several months before the original F.T.C. complaint was filed.

F.T.C. information now shows that Minnesota Mining promptly discontinued the practices with which Mid-States had been charged.

Penny bubble gum has another use besides chewing. It helps engineers pinpoint leaks in Nike pneumatic tube systems. Soap bubbles fail when pneumatic line pressures are lowered, Electronics, a McGraw-Hill magazine, points out.

What's New

IN STEEL FROM STOCK

New developments will help give you Increased Value in Buying Metals from Ryerson during 1959. Below are just some of the new additions to Ryerson's comprehensive stocks and services.

NEW FASTER MACHINING TUBING... Ledloy® 170—fastest machining steel tubing ever produced, average speed of 170 s.f.m. And only Ryerson has it for shipment from stock. Users report increases of 25% in productivity... longer tool life...improved finish. Sizes available to date from 1" to $2\frac{1}{2}$" O.D. with maximum $\frac{3}{8}$" wall thickness.

NOW EVEN FASTER MACHINING LEDLOY BARS... new Ledloy 375 bars boost machinability to record averages of 375 s.f.m. Large stocks of this new steel supplement Ryerson stocks of regular Ledloy 300 free-machining steels to give you widest selection. Available from Ryerson stocks in rounds from $\frac{1}{4}$" to 1", hexes from $\frac{1}{4}$" to $\frac{5}{8}$".

TWO NEW PLANTS IN TEXAS... the former plants of Vinson Steel and Aluminum Co. in Dallas and Houston are now a part of the Ryerson organization. These plants, already well stocked and equipped, are now backed up by the unequaled facilities of the 18 other Ryerson plants across the nation. This means Texas metal users can now draw on stocks of more than 12,000 kinds, shapes and sizes of steel and aluminum. Also available, full line of industrial plastics and metalworking machinery.

NEW ALUMINUM STOCKS... are being added in Ryerson plants at Cleveland, Philadelphia and Los Angeles. Aluminum stocks at other Ryerson plants have also been greatly expanded.

NEW STOCKS OF T-1 ALLOY PLATES... in two types: to 321 minimum BNH and to firebox quality specs. "321" gives maximum resistance to impact and abrasion. Five sizes available from 3/16" through $\frac{5}{8}$". "Firebox" is for applications requiring high strength and toughness...meets ASME code case 1204-3 for pressure vessels. Available in nine sizes from $\frac{1}{4}$" through 2". Both types offer good weldability.

STAINLESS EXTRUDED ANGLES... now available from Ryerson. They offer better surface and resultant lower polishing costs...cross-section tolerances less than half those of rolled angles for better forming into rings...no increase in price over rolled angles.

INCREASED VALUE IN STAINLESS FROM RYERSON... even though your application may not demand it in every case, you get the ultimate in specification controls when you order stainless from Ryerson—an important increased value without increased cost. Examples: in addition to chemistry specs for Types 304 and 316, you get the added value of controlled mechanical properties and Brinell hardness—and corrosion resistance assured by actual test.

STAINLESS HEADS—NATION'S LARGEST STOCK BY FAR... Ryerson stocks now include every requirement for ASME flanged and dished heads in Types 304, 304L, 316 and 316L in a wide range of gauges and sizes.

RYERSON CERTIFIED QUALITY

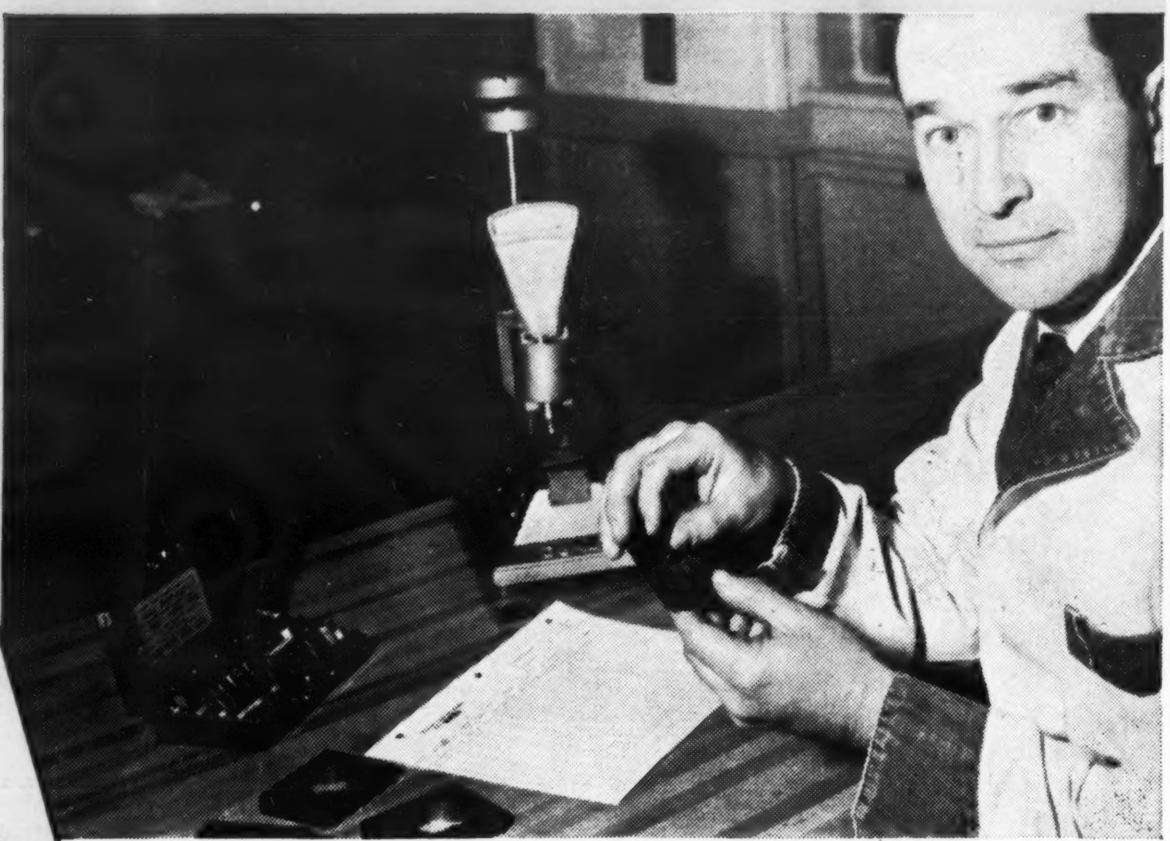
RYERSON STEEL®

Member of the INLAND® Steel Family

NATION'S MOST COMPLETE SERVICE ON STEEL... ALUMINUM... PLASTICS... METALWORKING MACHINERY

SERVICE CENTERS IN PRINCIPAL CITIES COAST TO COAST

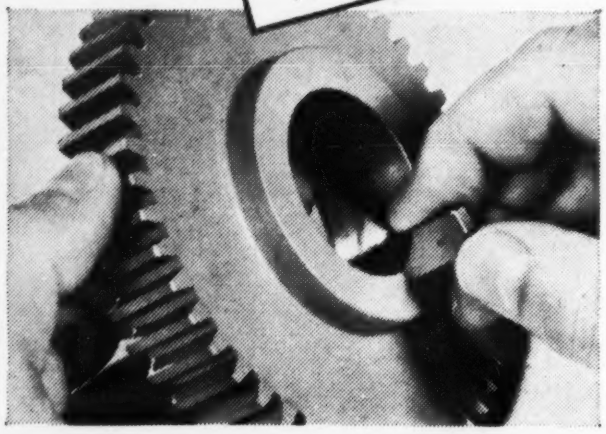
It's NEW from DoALL



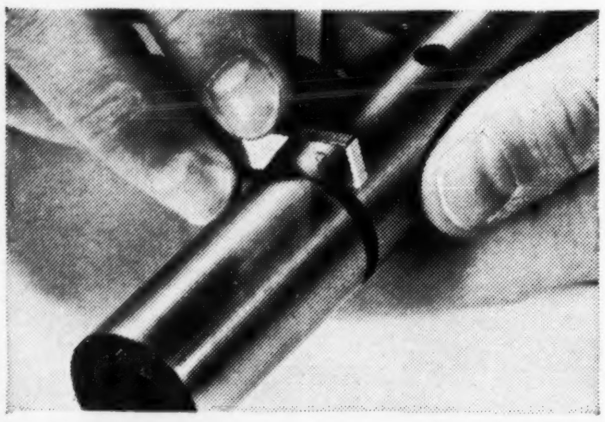
MORE USEFUL DIMENSIONS WITH FEWER GAGE BLOCKS

Only set 55-R offers decimal dimensions in .001″ increments from .020″, in .0001″ increments from .100″, and fractional dimensions by 1/64 increments from 1/64″

Dimensions	38-Pc. Set	83-Pc. Set	55-Pc. Set
.028″ snap ring	No	No	Yes
.046″ snap ring	No	No	Yes
1/16″ keyway	No	No	Yes
.068″ snap ring	No	No	Yes
.086″ snap ring	No	No	Yes
3/32″ keyway	No	No	Yes
1/8″ keyway	No	Yes	Yes



Keyway slot in gear simply and easily checked with single fractional block.



One block from .010″ series solves problem of checking O-ring groove on this shaft.

After 53 years—a gage block set for the shop

NEW 55-R SET PROVIDES WIDELY SPECIFIED DECIMAL AND FRACTIONAL DIMENSIONS NOT AVAILABLE IN TRADITIONAL SETS.

Selected by shop men, tested by shop use and checked by a poll of diversified industries, set No. 55-R is the first basic departure from the 81 piece inch series gage block set introduced 53 years ago. Now you can make common fractional dimensions and many others with just one or two blocks instead of the five or six from traditional sets. Greatly reduces time-consuming job of selecting, cleaning and wringing.

Saves you money, too!

The modest price of a 55-R set makes a worthwhile saving over the cost of larger sets. The life of a set of gage blocks is lengthened since fewer blocks are required to make up common dimensions. It is practical to assign a set to each of your toolmakers or machinists to eliminate time waste created by a group working from the same set. Call your local DoALL sales-service store for further information and literature, or write.

AVAILABLE IN THREE GRADES

Grade	Tolerance	Price
AA Grade	+.000002″ −.000002″	$490.00
A+ Grade	+.000004″ −.000002″	$340.00
Shop Blocks	+.000006″ −.000002″	$240.00

GAGE BLOCK SET NO. 55-R

.010″	(single block)	— .010″ series
.020″ through .029″	(10 blocks)	— .001″ series
1001″ through .1009″	(9 blocks)	—.0001″ series
.101″ through .109″	(9 blocks)	— .001″ series
.110″ through .190″	(9 blocks)	— .010″ series
.100″ through .400″	(4 blocks)	— .100″ series
1.000″, 2.000″, 3.000″	(3 blocks)	— 1.000″ series
1/64″, 1/32″, 3/64″, 1/16″, 1/8″, 1/4″, 1/2″, 3/4″	(8 blocks)	— Fract. series

050″ or .100″ Steel or carbide wear blocks optional

GB-30

The DoALL Company, Des Plaines, Illinois